

MONTECH HOLDINGS LIMITED

ACN 050 240 330

Prospectus

In relation to:

- the offer and issue of a minimum of 161,454,545 and up to a maximum of 327,272,727 General Offer Shares at \$0.0275 per Share to raise a minimum of \$4,440,000 and a maximum of \$9,000,000 under the General Offer in two (2) tranches as follows:
 - \$4,440,000 in the first tranche; and
 - subject to and conditional on Shareholder approval, up to an additional maximum amount of \$4,560,000 in the second tranche; and
- the offer and issue of 142,857,143 TETRA Completion Shares at \$0.035 per Share to the TETRA Vendors subject to and on completion of the TETRA Acquisition

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth). This document is important. Carefully read this Prospectus in full and consult your licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser if you are in any doubt as to what to do.

The Securities offered by this Prospectus should be considered highly speculative.

Important Information

This Prospectus is an important document and requires your prompt attention. You should read it carefully. It is important that you consider the risk factors (see Sections 1.3 and 4) before deciding on your course of action as these could affect the financial performance of Montech Holdings Limited (ACN 050 240 330) (**MOQ** or the **Company**).

Lodgement

This Prospectus is dated 24 March 2016 and a copy of this Prospectus was lodged with ASIC on that date.

Neither ASX nor ASIC takes any responsibility for the contents of this Prospectus. The fact that the Company is admitted to the official list of the ASX and the fact that the New Shares may be granted official quotation by the ASX are not to be taken in any way as an indication of the merits of the Company or the New Shares offered under this Prospectus.

Expiry date

No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. New Shares offered pursuant to this Prospectus will be issued on the Terms of the Offer.

Foreign jurisdictions – restrictions on distribution

The Offer is being made in Australia, New Zealand, Hong Kong and Singapore only. This Prospectus does not constitute an offer in any place which, or to any person whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, Hong Kong and Singapore may be restricted by law and persons who come into possession of this Prospectus in such jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the New Shares or the Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia, New Zealand, Hong Kong and Singapore. See Section 2.25 for further information.

The New Shares have not been, and will not be, registered under the US Securities Act 1933 (**US Securities Act**) and may not be offered or sold in the United States of America, or to, or for the account or benefit of, "US Persons" (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. The New Shares may only be resold or transferred in the United States of America, or to, or for the account or benefit of, US Persons if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register any of the New Shares.

Representations

No person is authorised to give any information or make any representations in connection with the Offer other than as contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus is not, and may not be relied on as having been, authorised by the Company (or any of its officers).

Forward looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4 of this Prospectus.

Disclaimer

This Prospectus contains general information only, and does not take into account the individual investment objectives, financial situation or particular needs of any person. Nothing in this Prospectus should be construed as a recommendation by the Company or any other person concerning an investment in the Company. You should read the entire Prospectus and, in particular, in considering the prospects for the Company, you should consider the risk factors that could affect the financial performance of the Company. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues), and if you are in any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

Electronic Prospectus

This Prospectus may be viewed by Eligible Shareholders online at <http://www.moq.com.au>. The website and its contents do not form part of this Prospectus and are not to be interpreted as part of, nor incorporated into, this Prospectus. Eligible Shareholders who receive the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The Offer to which the electronic Prospectus relates is only available to persons receiving the electronic Prospectus in Australia, New Zealand, Hong Kong and Singapore (subject to Section 2.25). Persons having received a copy of this Prospectus in its electronic form may obtain a paper copy of the Prospectus (including any supplementary document and the Application Form) (free of charge) during the period of the Offer by contacting the Company's Share Registry.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus, or any of those documents were incomplete or altered.

Defined terms and Glossary

Certain capitalised words and expressions used in this Prospectus are defined in the Glossary at section 6 of this Prospectus.

Financial amounts

Financial amounts in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Privacy

The Company collects information about each Applicant provided on an Application for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application, each Applicant agrees that the Company may use the information provided by that Applicant on that Application for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to the ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company and the Share Registry holds about that person subject to certain exemptions under law. Access requests must be made in writing to the Company.

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NOTE: Capitalised terms used in this Prospectus are defined in the Glossary (Section 6).

Important Dates

Lodgement of this Prospectus with ASIC	24 March 2016
Opening date of the General Offer	24 March 2016
Closing date of the General Offer	5.00pm (Sydney time) on 30 March 2016
Issue of Tranche 1 Shares	1 April 2016
Proposed Completion of Skoolbag Acquisition	1 April 2016
Date of EGM	9 May 2016
Issue of Tranche 2 Shares	10 May 2016
Proposed Completion of the TETTRAN Acquisition and allotment of TETTRAN Completion Shares to the TETTRAN Vendors on completion	10 May 2016

Dates may change

Other than the date of lodgement of this Prospectus. The above dates are subject to change and are indicative only. The Company reserves the right to vary the dates and times of the Offer, including to close the Offer early, extend the Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants, subject to the Corporations Act, the ASX Listing Rules and other applicable laws

Note: *Issue of Tranche 1 Shares and Tranche 2 Shares is not conditional on the completion of one or both of the Skoolbag Acquisition and the TETTRAN Acquisition.*

Key Offer Statistics

Number of Shares on issue as at the date of this Prospectus	1,077,004,545
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Minimum number of Tranche 1 Shares to be issued under the General Offer ¹	161,454,545
Maximum number of Tranche 2 Shares to be issued under the General Offer ²	165,818,182
Offer Price for each General Offer Share	\$0.0275
Maximum proceeds from the General Offer	\$9,000,000
Total number of Shares on issue after completion of the General Offer but before the issue of TETRAN Completion Shares ^{1,2,3,4}	1,404,277,272

Maximum number of TETRAN Completion Shares to be issued to the TETRAN Vendors subject to and on completion of the TETRAN Acquisition ³	142,857,143
Deemed issue price for each TETRAN Completion Share	\$0.035
Total number of Shares on issue immediately after completion of the General Offer and the TETRAN Acquisition ^{1,2,3,4,5}	1,547,134,415

NOTES:

1. Assuming the Offer is fully subscribed and no other Shares are issued between the date of this Prospectus and completion of the Offer, including under the ESOP.
2. Assuming the Shareholders approve the issue of the Tranche 2 Shares at the EGM.
3. Assuming the TETRAN Acquisition is approved by Shareholders at the EGM and proceeds to completion.
4. Assuming none of the existing options to subscribe for Shares are exercised.
5. Excluding any issue of TETRAN Performance Shares or Skoolbag Performance Shares

HOW TO APPLY:

You may apply for New Shares only by following the instructions set out in Section 2 and on the back of the Application Form.

QUESTIONS:

Please contact Mr Brad Cohen (Phone: +61 2 8039 5015 / Email: bradc@moq.com.au) from 9.00am to 5.00pm (Sydney time) Monday to Friday, if you have any questions about this Prospectus. If you are in any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

Chairman's Letter

24 March 2016

Dear Investor,

On behalf of the Directors of Montech Holdings Limited (ACN 050 240 330) (**MOQ** or the **Company**), I am pleased to invite you to become a Shareholder in the Company.

Background

On 3 March 2016, the Company announced that it had signed separate binding agreements to acquire 100% of the issued capital in two businesses, TETRAN (**TETRAN Acquisition**) and Skoolbag (**Skoolbag Acquisition**), subject to a number of conditions precedent being satisfied. The TETRAN Acquisition and Skoolbag Acquisition will collectively be referred to as the **Proposed Transactions** in this Prospectus.

TETRAN and Skoolbag are unrelated businesses, and the acquisition of either or both of these businesses are not interdependent on one another.

Since reinstatement to the Official List of the ASX on 3 June 2015, the Company has continued to explore opportunities to develop, build and acquire complementary Cloud focussed technology businesses. The Proposed Transactions are aligned with the Company's strategy and upon completion, will add product, services, and resources to allow the Company to continue its stated strategy to grow as an ITC product and service provider.

Completion of each Proposed Transaction is subject to a number of condition precedents being satisfied or waived, including, that the Company obtains shareholder approval for any matter which is required to effect Completion and which requires shareholder approval under the Corporations Act, the Listing Rules of the ASX or the Company's constitution. The balance of the conditions precedent relate to commercial matters relating to the businesses of TETRAN and Skoolbag, respectively. These are explained in greater detail below at section 5 of this Prospectus. Therefore, whilst at this stage the Company is not aware of any reason that the Proposed Transactions will not be completed, the General Offer is not conditional on the Proposed Transactions completing and there can be no guarantee that each of the Proposed Transactions will complete.

Further details on each of Skoolbag and TETRAN are set out below at section 5 of this Prospectus.

The Offer

The purpose of this Prospectus is to implement the following:

- the offer and issue of a minimum of 161,454,545 and up to a maximum of 327,272,727 new fully paid ordinary shares (**General Offer Shares**) at \$0.0275 per Share, to raise a minimum of \$4,440,000 and up to a maximum of \$9,000,000 (**General Offer**) in two (2) tranches as follows:
 - First Tranche – the Company will seek to raise a minimum of \$4,440,000 under its existing placement capacity under ASX Listing Rule 7.1; and
 - Second Tranche – subject to Shareholder approval under ASX Listing Rule 7.1 at the EGM, the Company will seek to raise a further maximum amount of \$4,560,000; and
- Subject to Shareholder approval, the offer and issue of 142,857,143 new fully paid ordinary shares (**TETRAN Completion Shares**) at a deemed issue price of \$0.035 per Share to the TETRAN Vendors, subject to and on completion of the TETRAN Acquisition,

(together, the **Offer**).

The funds raised under the General Offer, assuming it is fully subscribed, the Proposed Transactions are completed and Shareholder approvals are obtained for the issue of the Tranche 2 Shares, will be applied towards:

- the cash components of the purchase consideration payable under the Skoolbag Acquisition (maximum \$3,000,000 subject to certain working capital and other adjustments) which is expected to complete at or around the issue of Tranche 1 Shares;
- the cash components of the purchase consideration payable under the TETRAN Acquisition (approximately \$4,000,000 subject to certain working capital and other adjustments) which is expected to complete at or around the issue of Tranche 2 Shares;
- expenses related to the Offer and other professional fees and disbursements incurred as part of the Proposed Transactions;
- for general working capital purposes; and
- to fund potential investments of the Company that have not yet been identified.

The terms and conditions of the Offer are contained in this Prospectus. Please read this Prospectus (including the risk factors in Sections 1.3 and 4) carefully and in its entirety.

On behalf of my fellow Directors, I invite you to consider this opportunity to invest in the Company.

Yours sincerely



Mr David Shein
Non-Executive Chairman
Montech Holdings Limited

1 Investment Overview

The information in this Section 1 is a summary only. It should be read in conjunction with the information in the remainder of this Prospectus.

1.1 Key features of the Offer

General Offer	<p>The offer and issue of a minimum of 161,454,545 and up to a maximum of 327,272,727 new fully paid ordinary shares (General Offer Shares) at \$0.0275 per Share, to raise up to a maximum of \$9,000,000 (General Offer). The General Offer will be divided into two (2) tranches as follows:</p> <p><u>Tranche 1:</u></p> <p>The Company will utilise its existing placement capacity under ASX Listing Rule 7.1 as at the date of the General Offer to raise a minimum of \$4,440,000 (Tranche 1 Amount) by the issue of 161,454,545 New Shares without the need for Shareholder approval (Tranche 1 Shares).</p> <p><u>Tranche 2:</u></p> <p>Any amounts raised over and above the Tranche 1 Amount and up to a maximum of \$9,000,000, being \$4,560,000 (the Tranche 2 Amount) will be raised, subject to and conditional upon the Company receiving Shareholder approval under ASX Listing Rule 7.1, by the issue of up to a further 165,818,182 New Shares under Tranche 2 (Tranche 2 Shares).</p>
Offer of TETRAN Completion Shares	<p>The offer of 142,857,143 new fully paid ordinary shares (TETRAN Completion Shares) at a deemed issue price of \$0.035 per Share to the TETRAN Vendors, subject to and on completion of the TETRAN Acquisition.</p>
Purpose	<p><u>New Shares issued under General Offer:</u></p> <p>The funds raised under the General Offer, assuming it is fully subscribed and the Shareholders approve the issue of the Tranche 2 Shares, will primarily be used by the Company towards satisfying the cash components of the purchase consideration for the TETRAN Acquisition and the Skoolbag Acquisition.</p> <p>The remaining funds raised (following payment of the cash components) will be applied by the Company towards general working capital purposes, to fund future investments, pay for expenses related to the Offer and other professional fees and disbursements incurred as part of the Proposed Transactions.</p> <p><u>TETRAN Completion Shares</u></p> <p>The TETRAN Completion Shares are being issued in part satisfaction of the purchase consideration for the Company's acquisition of 100% of the issued share capital of TETRAN pursuant to the TETRAN Acquisition. Accordingly, no cash will be raised from the issue of the TETRAN Completion Shares.</p>
Use of funds	<p>The Company's present intention is to use the funds raised under the General Offer (from payment of the Offer Price) as follows:</p> <p><u>Tranche 1 only (Minimum):</u></p> <p>If the Shareholders do not approve the issue of the Tranche 2 Shares and</p>

	<p>the only New Shares issued under the General Offer are the Tranche 1 Shares, the Company intends to use the funds raised under the General offer as follows:</p> <table><tr><td>Funding cash component of Skoolbag Acquisition</td><td>\$3,000,000</td></tr><tr><td>Funding cash component of TETRAN Acquisition</td><td>\$0</td></tr><tr><td>Expenses of the Offer and the Proposed Transactions</td><td>\$489,157</td></tr><tr><td>Working capital/potential new investments</td><td>\$950,843</td></tr><tr><td>Total</td><td>\$4,440,000</td></tr></table> <p><u>Tranche 1 and Tranche 2 (Maximum):</u></p> <p>If the Shareholders approve the issue of the Tranche 2 Shares (and the full \$9,000,000 is raised), the Company intends to use the funds raised under the General Offer as follows:</p> <table><tr><td>Funding cash component of Skoolbag Acquisition</td><td>\$3,000,000</td></tr><tr><td>Funding cash component of TETRAN Acquisition</td><td>\$4,000,000</td></tr><tr><td>Expenses of the Offer and the Proposed Transactions</td><td>\$723,721</td></tr><tr><td>Working capital/potential new investments</td><td>\$1,276,279</td></tr><tr><td>Total</td><td>\$9,000,000</td></tr></table>	Funding cash component of Skoolbag Acquisition	\$3,000,000	Funding cash component of TETRAN Acquisition	\$0	Expenses of the Offer and the Proposed Transactions	\$489,157	Working capital/potential new investments	\$950,843	Total	\$4,440,000	Funding cash component of Skoolbag Acquisition	\$3,000,000	Funding cash component of TETRAN Acquisition	\$4,000,000	Expenses of the Offer and the Proposed Transactions	\$723,721	Working capital/potential new investments	\$1,276,279	Total	\$9,000,000
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	Funding cash component of Skoolbag Acquisition	\$3,000,000																			
	Funding cash component of TETRAN Acquisition	\$4,000,000																			
	Expenses of the Offer and the Proposed Transactions	\$723,721																			
	Working capital/potential new investments	\$1,276,279																			
Total	\$9,000,000																				
<p>Minimum subscription</p>	<p>The minimum amount to be raised under the General offer is \$4,440,000.</p> <p>If this amount has not been raised within four (4) months after the date of this Prospectus, the Company will not issue any New Shares under this Prospectus and all Applications will be dealt with in accordance with the Corporations Act.</p>																				
<p>Issue of Tranche 2 Shares is conditional on Shareholder approval</p>	<p>The issue of the Tranche 2 Shares is conditional upon the Shareholders approving the issue under ASX Listing Rule 7.1 at the EGM.</p> <p>If the Company raises the minimum amount of \$4,440,000 but the Shareholders do not approve the issue of the Tranche 2 Shares the Company will only accept Applications up to an amount equal to \$4,440,000. Any amounts applied for above that amount will be returned to Applicants.</p>																				
<p>Tranche 1 Amount and Skoolbag Acquisition</p>	<p>It is the current intention of the Directors that, subject to the Company raising the Tranche 1 Amount and the satisfaction or waiver of the conditions precedent of the Skoolbag SPA, the Company will use the amounts raised under Tranche 1 to fund the cash component of the Skoolbag Acquisition and proceed to completion of the Skoolbag Acquisition as soon as possible after the issue of the Tranche 1 Shares.</p>																				
<p>Issue of TETRAN Completion Shares is conditional</p>	<p>The issue of the TETRAN Completion Shares is conditional upon the Shareholders approving the issue at the EGM pursuant to ASX Listing Rule 7.1 and all other conditions precedent to the TETRAN transaction being completed or waived.</p> <p>If the Shareholders do not approve the issue of the TETRAN Completion Shares (or other conditions precedent are not met or waived), the Company will not proceed to completion of the TETRAN Acquisition and will not issue any of the TETRAN Completion Shares under this Prospectus. nor will it pay</p>																				

	<p>any cash consideration to the TETTRAN Vendors.</p> <p>In addition, assuming all of the conditions precedent to the TETTRAN Acquisition have been satisfied or waived, if the:</p> <ul style="list-style-type: none"> (a) Shareholders of the Company do not approve the issue of the Tranche 2 Shares at the EGM; or (b) The Shareholders approve the issue of the Tranche 2 Shares at the EGM, the Skoolbag Acquisition completes but the amount raised under the General Offer is less than \$7,000,000, <p>the Company may not have sufficient funds to pay the cash component of the TETTRAN Acquisition and, consequently, will not proceed to completion of the TETTRAN Acquisition. Accordingly, the Company will not issue any of the TETTRAN Completion Shares under this Prospectus, nor will it pay any cash consideration to the TETTRAN Vendors.</p>
If completion of the Proposed Acquisitions does not occur	<p>The tables contained in the 'Use of Funds' section above assume that the Company will proceed to completion of the TETTRAN Acquisition and the Skoolbag Acquisition.</p> <p>Given these transactions are subject to numerous conditions precedent (details of which are set out in sections 5.1 and 5.2 of this Prospectus), there is no guarantee that these transactions will go ahead.</p> <p>If this is the case and one or both of the Proposed Transactions do not complete, the Company intends to use the funds raised under the General Offer to meet the expenses of the Offer and the Proposed Transactions, for working capital purposes and to fund potential new investments not yet known to the Company.</p>
Closing date of the Offer*	5.00pm (Sydney time) on 30 March 2016.
What is the Minimum Application under the Offer?	Applications must be for a minimum of 72,728 New Shares (\$2,000.02).
What is the allocation policy applicable to the General Offer?	The Company has absolute discretion regarding the allocation of New Shares and may reject an Application, or allocate fewer New Shares than applied for by an Applicant, in its absolute discretion.
How do I apply for New Shares?	<p>If you wish to apply for New Shares under the Offer, please complete the Application Form in accordance with the instructions set out on that form.</p> <p>All Application Forms must be accompanied by payment in full of the Offer Price of \$0.0275 per New Share applied for.</p> <p>Applications must be for a minimum of 72,728 New Shares (\$2,000.02).</p> <p>Application Payment must be made by EFT, cheque, bank draft or money order, unless otherwise determined by the Board.</p> <p>Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Montech Holdings Limited" and crossed "Not Negotiable".</p> <p>For EFT, please deposit payment for New Shares to:</p> <p>"Montech Holdings Limited"</p> <p>BSB: 033095 / Acc: 493725</p>

	<p>Please use shareholding name as a reference and forward a copy of the transmission with your Application Form(s).</p> <p>Applicants must not forward cash. Receipts for Application Payments will not be issued.</p> <p>All Applications (including Application Payments or record of transmission of Application Payment) must be mailed to:</p> <p>Montech Holdings Limited C/- PAGER PARTNERS PTY LTD PO Box 231 BRIGHTON VIC 3186</p> <p>by 5.00pm (Sydney time) on the Closing Date. The Company reserves the right to vary the Closing Date, subject to the Corporations Act and the ASX Listing Rules.</p>
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Note: The above closing date is subject to change and is indicative only.

1.2 Investment highlights

The Directors of the Company are of the view that an investment in the Company provides the following non-exhaustive list of key highlights:

- (a) the Company is active in the “IT Services and Solutions” sector offering clients applications, data, infrastructure and managed services;
- (b) the Company has a strategy to develop, build and acquire complementary Cloud focussed technology businesses to capitalise on the emerging digital economy, with a particular focus on creating and expanding recurring revenue streams;
- (c) the Company has an experienced leadership team;
- (d) the Company has signed separate binding agreements to acquire 100% of the issued capital in two businesses, TETRAN and Skoolbag;
- (e) the Directors expect that the Proposed Acquisitions provides the Company with an opportunity to potentially increase the scale and service offering of the Company;
- (f) the Directors expect the Proposed Transactions to complement the Company's managed services and commercialised IP growth strategy and expect the acquisitions to make a contribution to the Company's recurring revenue base;
- (g) TETRAN is a managed IT services and professional services company with over 90 employees across offices in Australia (HQ), New Zealand, Singapore and Centre of Excellence in Sri Lanka;
- (h) The Directors expect that the acquisition of TETRAN will add to the Company's annuity revenues and TETRAN's offshore development and support centre is expected to provide the Company with the opportunity to provide services to existing and new customers efficiently and cost effectively;
- (i) Skoolbag is a software-as-a-service (SaaS) provider, via web and mobile apps to over 2,500 educational institutions, child care centres and sports clubs and downloaded by more than 1 million end users; and
- (j) The Directors consider that Skoolbag provides a scalable commercial model with a low cost base and the potential ability to deploy new features, functionality and product offerings across its distributed customer base. The Company expects that the acquisition of Skoolbag will add to the Company's annuity revenues whilst also providing a solution in one of the Company's key verticals – Education. The Company's existing software development team, which has deep applications development and integration expertise,

may result in enhancement of certain features of the Skoolbag platform and applications, which the Company hopes will make the offering even more useful and attractive to Skoolbag's current and prospective customers, thereby increasing its competitive advantage.

1.3 Details of TETRAN

(a) Background

Founded in 2006, TETRAN is an Australian owned and based technology company offering managed IT services and professional services, with over 90 employees across offices in Australia (HQ), New Zealand, Singapore and a Centre of Excellence in Sri Lanka. As a managed and cloud services IT company, TETRAN focuses on providing innovative operational IT services and solutions that are core to business productivity.

More information about TETRAN can be found on their website at www.tetran.com.au

(b) TETRAN SPA

The TETRAN SPA was executed on 2 March 2016. Details of the consideration payable by the Company to the TETRAN Vendors is set out at section 2.10 of this Prospectus. In addition to the TETRAN Completion Shares and the TETRAN Performance Shares, the Company will also pay to the TETRAN Vendors \$4,000,000 in cash (such amount being subject to a working capital adjustment).

The maximum consideration to be provided to the TETRAN Vendors under the TETRAN SPA has a total maximum monetary value of \$10,000,000 (such amount being subject to a working capital and other adjustments).

Further details on the TETRAN SPA are set out in section 5.2 of this Prospectus.

1.4 Details of Skoolbag

(a) Background

Launched in 2013, Skoolbag is a NSW based technology company providing software-as-a-service solutions primarily to educational institutions, child care centres and sports clubs. Skoolbag enables communication with parents or club members through a personalised smart phone or web application and has a strong reputation and customer satisfaction level. It has been implemented in over 2,500 institutions across Australia and overseas, and is downloaded by more than 1 million end users.

More information about Skoolbag can be found on their website at www.skoolbag.com.au.

(b) Skoolbag SPA

The Skoolbag SPA was executed on 2 March 2016. Pursuant to the Skoolbag SPA, the Company has agreed to acquire all of the share capital of Skoolbag. In consideration for the Acquisition, Skoolbag Vendors will receive the following amounts:

- (i) Maximum \$3,000,000 cash on completion (subject to working capital and other adjustments); and
- (ii) up to 75,000,000 Shares (each with a deemed issue price of \$0.04 per Share) depending on the performance of the Skoolbag business in the 2016 and 2017 Financial Years (**Skoolbag Performance Shares**) Further details on the Skoolbag Performance Shares are set out below.

The consideration to be provided to the Skoolbag Vendors under the Skoolbag SPA has a total maximum monetary value of \$6,000,000.

Further details of the Skoolbag SPA are set out in section 5.1 of this Prospectus.

1.5 Key and unique risks

The business, assets and operations of the Company will be subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively be managed or mitigated may be limited.

Set out below are specific risks that the Company will be exposed to as a result of the Proposed Transactions and that the Company is currently exposed to. Further risks associated with an investment in the Company are outlined in Section 4.

Specific Risks

(a) Proposed Transactions are conditional

There are a number of conditions that need to be satisfied prior to the completion of the Proposed Transactions, as outlined in the TETRAN SPA and Skoolbag SPA. There is a risk that, unless otherwise waived, one or a number of these conditions will not be satisfied by the party on which the respective obligation rests, which may delay the completion of one or both of the Proposed Transactions (if they complete at all). It should be noted that the issue of the New Shares under this Prospectus is not conditional in any way on the Company completing one or both of the TETRAN Acquisition or Skoolbag Acquisition.

(b) TETRAN Customer concentration

TETRAN's top 10 customers contribute to approximately 72% of total revenue, with the top 3 customers contributing to approximately 50% of its revenue in FY15. The loss of any top customers could materially affect TETRAN's financial position and prospects.

(c) Exchange Rates

TETRAN operates a Centre of Excellence in Sri Lanka with over 65 employees and therefore may be exposed to rapid and material movements in exchange rates between Australia and Sri Lanka which could affect its balance sheet and cash position.

(d) TETRAN and Skoolbag third party agreements not exclusive

Many of the agreements that TETRAN and Skoolbag currently have in place with their vendors are not exclusive. This means that the vendors are free to engage with other service providers, who will naturally become competitors of the TETRAN and Skoolbag businesses. Furthermore, there is no guarantee that the vendors will continue their agreements with the either TETRAN or Skoolbag.

(e) Industry and competition

The environments that TETRAN and Skoolbag operate in are competitive and therefore TETRAN and/or Skoolbag's competitive position may deteriorate as a result of factors including actions by existing competitors and the entry of new competitors. As an example, the Queensland government rolled out the Qschools communication app for state government schools in Queensland. As a result, Skoolbag has, on average, had lower levels of success in converting state government schools in Queensland than in other states.

(f) Dilution of existing Shareholdings in the Company:

In the event that the Proposed Transactions complete, the issue of the TETRAN Completion Shares, and should performance targets be met, the TETRAN Performance Shares and Skoolbag Performance Shares to the TETRAN Vendors (or their nominees) and Skoolbag Vendors (or their nominees) respectively, will have a significant dilutionary

effect on existing shareholdings of the current Shareholders of the Company. Completion of the Offer under this Prospectus will further dilute current Shareholders of the Company.

(g) Changes to vendor and customer agreements:

There is a risk that TETRAN and Skoolbag will be unable to maintain or renew key vendor and customer agreements on their current terms. Any adverse changes to its commercial relationships with the vendors or customers may materially affect its margins and prospects.

(h) Integration risk:

If the Skoolbag Acquisition and the TETRAN Acquisitions are completed, the Company may explore the integration of TETRAN and Skoolbag into the Company's existing trading entity 'MOQdigital' under one collaborative management, with the intention to draw synergies between the businesses to solidify their presence in the ICT industry and promote future growth of both businesses. There is a risk that the integration (if implemented) will not be successful or prove costly for the Company.

(i) Operational risks for TETRAN and Skoolbag:

The TETRAN and Skoolbag businesses have the following unique operational risks:

- (i) Approximately half of the future revenues of TETRAN are dependent on the business being able to consistently win future contracts for services from existing and new customers. There is a risk that TETRAN may not be able to replenish its respective sales pipeline in a timely and commercially viable manner.
- (ii) As TETRAN is a business which depends on its labour force, there is a risk that it will be unable to continuously source appropriately qualified and capable staff to satisfy customer needs.
- (iii) TETRAN operates a centre of excellence in Sri Lanka and as such is exposed to operational and compliance risks operating a foreign subsidiary including but not limited to compliance with local laws, fair-trading, taxation, employment, occupational health and safety.
- (iv) The Development of Skoolbag to date has been largely carried out by a small team of developers. Skoolbag may lose key personnel with deep understanding of the software development process, structure and style carried out to date. If Skoolbag need to replace those personnel, there may be a time lag for new developers to get up to speed which could adversely impact the business and its ability to execute its planned growth strategy.

Company and industry specific risks

Set out below are specific risks the Company is exposed to currently:

(a) General operational risks

The Company's business has the following unique operational risks:

- (i) The Company, through its main trading entity, MOQdigital, is in the early stages of developing recurring revenues from managed services and commercialised intellectual property. Considerable further effort is required to develop, implement and maintain a market plan for a commercialised intellectual property and a cloud enabled managed services offering, and to develop the related systems and processes to be successful. There is a risk that the continued development of recurring revenues will not be successful and cannot be maintained by the Company's trading businesses.
- (ii) A significant proportion of the Company's revenue derives from hardware sales. Whilst profit margins have been historically positive and demand strong, there is a

risk that this may not be maintained in the future, as Cloud computing continues to influence and change the ICT industry.

- (iii) Future revenues of the Company are heavily dependent on the business being able to consistently win future contracts for services from existing and new customers. There is a risk that the Company may not be able to replenish their respective sales pipelines in a timely and commercially viable manner.

(b) Global competitiveness of Australian ICT industry

Generally, Australia's internet connection speed is slow compared to countries like South Korea, Japan, Hong Kong and the United States of America. Also it is believed that more funds should be dedicated towards the development and application of areas which are recognised as essential to economic prosperity in the future. In the event that the Australian ICT industry loses its global competitiveness, this may have an adverse effect on the Company's ICT business interests from an operational point of view.

(c) Rate of adoption of Cloud computing:

The future success of the Company's trading business is highly contingent on the continued adoption and development of the ICT industry in Australia, and specifically, Cloud computing practices and systems amongst businesses, organisations and individuals in Australia. There is no guarantee that this will occur, and if the ICT industry was to stagnate or deflect in a direction that is not consistent with the Company's vision and/or offerings, this may have a negative effect on the financial performance of the Company.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 4 of this Prospectus before deciding whether to apply for Securities pursuant to this Prospectus.

You should read this Prospectus carefully and in its entirety, including Section 4, before deciding whether to apply for New Shares. If you are in doubt as to the course you should follow, you should consult your licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser. The Securities offered by this Prospectus should be considered highly speculative.

2 Details of the Offer

2.1 The Offer

The purpose of this Prospectus is to implement:

- (a) the General Offer; and
- (b) subject to Shareholder approval, the issue of TETRAN Completion Shares, (together, **Offer**).

2.2 General Offer

The Company is undertaking a General Offer of a minimum of 161,454,545 and up to a maximum of 327,272,727 General Offer Shares to investors who are not related parties of the Company, at an Issue Price of \$0.0275 per New Share. The maximum amount which may be raised under the General Offer is \$9,000,000, before expenses of the Offer. A breakdown of the expected costs of the Offer is set out under Section 5.11.

The General Offer will seek to raise up to \$9,000,000 but will be made up of two (2) tranches, being:

- (a) Tranche 1 – the Company will raise a minimum of \$4,440,000 under its existing placement capacity under ASX Listing Rule 7.1 without Shareholder approval; and
- (b) Tranche 2 – subject to the Company receiving Shareholder approval at the EGM, the Company will raise up to a further \$4,560,000.

The maximum amounts raised under Tranche 1 and Tranche 2 will be \$9,000,000.

2.3 Minimum subscription

The minimum amount to be raised under the General offer is the Tranche 1 Amount.

If this amount has not been raised within four (4) months after the date of this Prospectus, the Company will not issue any New Shares under this Prospectus and all Applications will be dealt with in accordance with the Corporations Act.

2.4 Tranche 1

- (a) Existing placement capacity and additional placement capacity

The prior approval of the Shareholders is not required for the issue by the Company of the Tranche 1 Shares as it does not exceed the 15% restriction imposed upon the Company under ASX Listing Rule 7.1.

At the date of this Prospectus, the Company has the full amount of its placement capacity under ASX Listing Rule 7.1.

- (b) Company discretion to scale back if Applications exceed Tranche 1 Amount:

The Company has the absolute discretion regarding the allocation of New Shares and may reject an Application, or allocate to an Applicant fewer New Shares than applied for, in its absolute discretion.

To the extent the Company receives Applications for New Shares which, in total, exceed the Tranche 1 Amount, the Company will scale back those Applications in its discretion to ensure that the maximum number of New Shares issued under Tranche 1 does not exceed the maximum number of Tranche 1 Shares.

2.5 Tranche 2 is conditional on Shareholder approval

- (a) The Offer under this Prospectus in respect of the issue of any Tranche 2 Shares is conditional on the approval of the Shareholders at the EGM.
- (b) If the Company receives applications for New Shares which, in total, exceed the Tranche 1 Amount and Shareholder approval of the issue of the Tranche 2 Shares is not obtained at the EGM, no Tranche 2 Shares will be issued pursuant to the General Offer and any Application Payments received by the Company above the Tranche 1 Amount will be refunded to Applicants.
- (c) If the Company receives applications for New Shares which, in total, exceed the Tranche 1 Amount; and the Shareholders approve the issue of the Tranche 2 Shares at the EGM, the Company will proceed to the issue of the Tranche 2 Shares as soon as possible after the EGM.

2.6 Skoolbag Acquisition

Subject to the satisfaction or waiver of the conditions precedent to the Skoolbag Acquisition, the current intention of the Directors is to proceed to completion of the Skoolbag Acquisition as soon as possible after the issue of the Tranche 1 Shares.

2.7 TETTRAN Acquisition

- (a) No completion if General offer raises less than \$7,000,000

The Company will not proceed to completion of the TETTRAN Acquisition and will not issue any of the TETTRAN Completion Shares under this Prospectus, nor will it pay any cash consideration to the TETTRAN Vendors if either of the following occurs:

- (i) the Shareholders of the Company do not approve the issue of the Tranche 2 Shares at the EGM; or
- (ii) the Skoolbag Acquisition completes prior to the EGM, the Shareholders approve the issue of the Tranche 2 Shares at the EGM but the amount raised under the General Offer is less than **\$7,000,000**,

This is because, the Company would have already paid the cash consideration to the Skoolbag Vendors under the Skoolbag SPA

2.8 Issue of New Shares not conditional on TETTRAN Acquisition or Skoolbag Acquisition

While it is the Company's intention to use the funds raised from the General Offer to fund the cash components of the purchase price for the Skoolbag Acquisition and the TETTRAN Acquisition, the issue of the New Shares under this Prospectus is not conditional in any way on the Company completing the TETTRAN Acquisition or Skoolbag Acquisition.

2.9 Use of Funds

The primary purpose of the General Offer is to raise funds to satisfy the cash components of the purchase consideration for the TETTRAN Acquisition and the Skoolbag Acquisition.

The remaining funds raised (following payment of the cash components) will be applied by the Company towards general working capital purposes, to fund future investments that have not yet been identified by the Company and expenses related to the Offer and other professional fees and disbursements incurred as part of the Proposed Transactions.

In accordance with ASX Listing Rule 10.11, the General Offer Shares will be issued to Applicants who are not related parties of the Company.

While the Company believes it has sufficient funds after completion of the General Offer, including without limitation, if it only the Tranche 1 Amount is raised, to meet all of its growth and capital

requirements, the Company may seek to exploit future opportunities of a kind that will require it to raise additional capital from equity or debt sources.

2.10 TETRA Consideration Shares

As part of the purchase consideration for the Company's acquisition of 100% of the issued share capital of TETRA pursuant to the TETRA Acquisition, the Company has agreed to issue:

- (a) 142,857,143 TETRA Completion Shares to the TETRA Vendors (or their nominees), subject to and on completion of the TETRA Acquisition, at a deemed issue price of \$0.035 per Share; and
- (b) Up to 28,571,429 TETRA Performance Shares at a deemed issue price of \$0.035 per Share to the TETRA Vendors (or their nominees), subject to satisfaction of performance criteria following completion of the TETRA Acquisition.

The allocation of TETRA Consideration Shares between the TETRA Vendors is as follows:

TETRA Vendor	Number of TETRA Completion Shares to be allotted²	Maximum number of TETRA Performance Shares to be allotted^{2,3}	Resultant post-completion % holding in the Company^{1,2,3,4,5,6,7}
Don Francis Nanayakkara (or his nominee)	56,962,610	9,065,714	4.3%
Marlon De Cruz (or his nominee)	10,885,876	4,000,000	1.0%
Kai Mysliwiecz (or his nominee)	4,278,050	5,260,000	0.6%
Komatie Pty Ltd (or its nominee)	35,390,272	5,714,286	2.7%
Inflection Investments Pty Ltd (or its nominee)	20,743,192	4,531,429	1.6%
Other recipients	14,597,143	0	0.9%
TOTAL	142,857,143	28,571,429	11.1%

Notes:

1. Assuming the Offer is fully subscribed and no other Shares are issued between the date of this Prospectus and completion of the Offer, including pursuant to the ESOP.
2. Assuming the TETRA Acquisition is approved by Shareholders at the EGM and proceeds to completion.
3. Assuming all criteria for allotment of TETRA Performance Shares under the TETRA SPA are satisfied and the maximum number of TETRA Performance Shares are issued.
4. Assuming none of the existing options to subscribe for Shares are exercised.
5. Rounded to 1 decimal place. Totals may not add due to rounding.
6. Assuming the Shareholders approve the issue of the Tranche 2 Shares.
7. Excluding any Performance Shares issued to the Skoolbag Vendors under the Skoolbag SPA.

The Offer under this Prospectus is only in respect of the offer of TETRA Completion Shares and not the TETRA Performance Shares.

The allotment of TETRA Performance Shares after completion of the SPA is subject to the satisfaction of performance criteria in respect of the Financial Year ending 30 June 2016 as set out in the TETRA SPA.

In respect of the allotment of TETRA Performance Shares to TETRA Vendors, such allotment will occur either by utilising the Company's available placement capacity at the time of allotment or following Shareholder approval, subject to compliance with applicable ASX Listing Rules and Corporations Act requirements at the time.

Under the TETRA SPA, the TETRA Vendors are deemed to have lodged valid Applications for the TETRA Completion Shares to which they become entitled.

As a minimum, the TETTRAN Completion Shares will be escrowed as follows:

- (a) All escrowed for 12 months following allotment; and
- (b) Half escrowed for 24 months following allotment,

As a minimum, the TETTRAN Performance Shares will be escrowed for 12 months following allotment.

(together, **Minimum Escrow Restrictions**).

These agreed Minimum Escrow Restrictions will be set out in an escrow deed, which will be executed by each of the TETTRAN Vendors prior to completion of the TETTRAN Acquisition.

The TETTRAN Vendors have acknowledged that in the event that the ASX imposes further mandatory escrow restrictions on any of the TETTRAN Consideration Shares that these further escrow restrictions will apply to the TETTRAN Consideration Shares in addition to the agreed Minimum Escrow Restrictions.

2.11 Shareholder approval required for TETTRAN Completion Shares

The issue of the TETTRAN Completion Shares is conditional upon the conditions precedent set out in the TETTRAN SPA being satisfied or waived by 30 June 2016. These conditions precedent are set out in greater detail in section 5.2 of this Prospectus. Importantly, one of the conditions precedent is that the Shareholders approve the issue of the TETTRAN Completion Shares at the EGM under ASX Listing Rule 7.1.

If the Shareholders do not approve the issue of these Shares at the EGM, the Company will not be able to satisfy this particular condition precedent under the TETTRAN SPA and will not proceed to completion of the TETTRAN SPA. In which case, the Company will not issue any TETTRAN Completion Shares under this Prospectus.

2.12 ASX quotation

The Company will apply for the quotation of all Shares to be issued under this Prospectus on ASX within 7 days after the date of this Prospectus. If official quotation of the Shares to be issued under this Prospectus is not granted by the ASX within 3 months after the date of this Prospectus (or any longer period permitted by law), the Offer will be cancelled and all Application Payments will be returned (without interest) to Applicants within the time prescribed by the Corporations Act.

2.13 Minimum subscription

In accordance with the Corporations Act, no New Shares will be allotted by the Company until the Tranche 1 Amount has been raised by the Company (being \$4,440,000). If the Tranche 1 Amount has not been raised within four (4) months after the date of this Prospectus, all Application Monies will be dealt with in accordance with the Corporations Act.

2.14 How to accept the General Offer

If you wish to apply for General Offer Shares under the General Offer, please complete the Application Form in accordance with the instructions set out on that form.

Unless otherwise directed by the Company or the Lead Manager, all Application Forms must be accompanied by payment in full for the Issue Price of \$0.0275 per New Share applied for (**Application Payment**).

Applications must be for a minimum of 72,728 New Shares (\$2,000.02).

Application Payment must be made EFT, by cheque, bank draft or money order, unless otherwise determined by the Board.

Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "**Montech Holdings Limited**" and crossed "Not

Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received.

For EFT, please deposit payment for New Shares to:

"Montech Holdings Limited"

BSB: 033095 / Acc: 493725

Please use shareholding name as a reference and forward a copy of the transmission with your Application Form(s).

Applicants must not forward cash. Receipts for Application Payments will not be issued.

All Applications for the General Offer (including Application Payments or record of transmission of Application Payment) must reach the Share Registry, the Company or the Lead Manager by 5.00pm (Sydney time) on 30 March 2016 (**Closing Date**). The Company reserves the right to vary the Closing Date, subject to the ASX Listing Rules.

Application Forms and/or Application Payments received after the Closing Date may not be accepted, subject to the Directors' absolute discretion.

2.15 **Application is binding and date of allotment**

Receipt of Application Payment and a completed and lodged Application Form, constitutes a binding acceptance of the Company's Offer of New Shares on the Terms of the Offer and an acknowledgement by the Applicant that:

- (a) it has received and read this Prospectus;
- (b) it has acted in accordance with the Terms of the Offer;
- (c) it agrees to all of the Terms of the Offer, including, without limitation that:
 - (i) the Company has the absolute discretion regarding the allocation of New Shares and may reject an Application, or allocate to an Applicant fewer New Shares than applied for, in its absolute discretion.
 - (ii) if Company receives Applications which, in aggregate, exceed the Tranche 1 Amount:
 - (A) the number of New Shares that will be issued to the Applicant under Tranche 1 may be scaled back by the Company in its discretion to ensure the Company does not issue any more than the maximum number of Tranche 1 Shares;
 - (B) the issue of the Tranche 2 Shares is conditional upon the Shareholders approving the issue of the Tranche 2 Shares at the EGM;
 - (C) if the Shareholders approve the issue of the Tranche 2 Shares at the EGM, the Company will issue the Tranche 2 Shares as soon as possible after the EGM; and
 - (D) if the Shareholders do not approve the issue of the Tranche 2 Shares at the EGM, any Applications Payments received by the Company over and above the Tranche 1 Amount will be refunded to the Applicants;
- (d) it accepts the risk associated with any refund of its Application Payment that may be paid to you by cheque or EFT to your address or details shown on its Application Form;
- (e) it agrees to be registered as the holder of those New Shares allotted to it pursuant to this Prospectus; and
- (f) it agrees to be bound by the Company's constitution.

Each Application, once lodged, cannot be withdrawn under any circumstance in whole or in part.

The Application does not need to be signed to be binding. If an Application Form is not completed correctly or if there is a discrepancy between the Application Payment made and the Application Form submitted, the Company, in its absolute discretion, can reject the Application or treat it as valid, whether in whole or in part. The Company's decision as to whether to accept or reject an Application (in whole or in part) or how to interpret an incorrectly completed Application Form is final.

2.16 Application Payment

The Company is entitled to retain any interest paid on any Application Payment, whether or not allotment and issue of the New Shares takes place.

If quotation of the New Shares is not granted by the ASX within the time required by law, no New Shares will be allotted and Application Payments will be refunded to Applicants without interest within the time prescribed under the Corporations Act.

If the Tranche 1 Amount is raised but the Shareholders do not approve the issue of the Tranche 2 Shares, Company will scale back Applications in its discretion to ensure that the Company will issue only Tranche 1 Shares and any Applications Payments received by the Company over and above the Tranche 1 Amount will be refunded to the Applicants.

Pending the issue of the New Shares, or return of the Application Monies, the Application Monies will be held in trust for the Applicants.

2.17 Allocation and timing

The Company has the absolute discretion regarding the allocation of New Shares and may reject an Application, or allocate fewer New Shares than applied for, in its absolute discretion.

The Company expects to issue and allot the New Shares and the TETRAN Completion Shares in accordance with the indicative timetable set out on page 6 of this Prospectus.

2.18 General Offer Closing Date

Your completed Application Form and payment for New Shares subscribed for under the Application Form must reach the Share Registry, the Company or Blue Ocean no later than the Closing Date, which is currently 5.00pm (Sydney time) on 30 March 2016.

The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and any requirements of the ASX, to close the General Offer early, accept late Applications or to extend the Closing Date without prior notice.

If the Closing Date is varied, subsequent dates may also be varied accordingly. Unless the Company decides to accept late Applications or extend the Closing Date, Applications received after 5.00pm (Sydney time) on 30 March 2016 may be rejected and those Application Payments refunded without interest. If the Company elects to bring the Closing Date forward, Applications received after the revised Closing Date may be rejected and those Application Payments refunded without interest.

2.19 Commission and stamp duty

No commission or stamp duty is payable by Applicants under the Offer.

2.20 Change to the Terms of the Offer

The Company reserves the right to waive strict compliance with or vary any provision of the Terms of the Offer, or to vary, suspend or terminate the General Offer at any time without notice.

The Company reserves the right not to proceed with the Offer at any time prior to the allotment of New Shares to Applicants.

The Company reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for under this Prospectus.

If the Offer does not proceed or an Application is rejected or scaled back for any reason, the relevant part of the Application Payments will be refunded by cheque or EFT.

Failure to notify Shareholders or investors of changes to, suspension or termination of the General Offer or the Terms of the Offer will not invalidate the change, suspension or termination.

2.21 **No underwriter**

The Offer is not underwritten.

2.22 **Lead Manager**

Blue Ocean Equities Pty Limited (Lead Manager) will be the lead manager of the Offer.

A summary of the terms of appointment of the Lead Manager are set out in section 5.8 of this Prospectus.

2.23 **Brokerage**

Brokerage fees of up to 5% (plus GST) may be paid by the Company for funds raised under the General Offer.

2.24 **CHESS**

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares. If an Applicant is broker sponsored, a CHESS statement will be issued to that Applicant which sets out the number of New Shares issued under this Prospectus, provides details of the Applicant's holder identification number and the participant identification number of the sponsor. If an Applicant is registered in the Company's issuer sponsored sub register, its statement will be despatched by the Share Registry and will contain the number of New Shares issued to it under this Prospectus and its security holder reference number.

2.25 **Foreign selling restrictions**

(a) General

The Offer is being made in Australia, New Zealand, Hong Kong and Singapore only. This Prospectus does not constitute an offer in any place which, or to any person whom, it would not be lawful to make such an offer.

The Offer is not being extended to, and no New Shares will be issued pursuant to the Offer to, Non-Participating Foreign Investors.

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, Hong Kong and Singapore may be restricted by law and persons who come into possession of this Prospectus in such jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the New Shares or the Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia New Zealand, Hong Kong and Singapore.

(b) Beneficial holders

The foreign selling restrictions under the Offer apply to the underlying beneficiary. Nominees, trustees and custodians must not apply on behalf of any beneficiary that is a Non-Participating Foreign Investor. Applicants who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Applicants applying on behalf of persons whose registered address is not in Australia, New Zealand,

Hong Kong and Singapore are responsible for ensuring that applying for New Shares does not breach securities laws in the relevant overseas jurisdictions.

The Company is not required to determine whether or not any Applicant is acting as a nominee or the identity or residence of any beneficiary. If any nominee or custodian is acting on behalf of a foreign person, that Applicant, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

(c) New Zealand securities law requirements

The Offer of New Shares to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

This Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the Offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

(d) Hong Kong Special Administrative Region securities law requirements

The New Shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong) (Companies Ordinance), or (ii) to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) (SFO) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance, and no advertisement, invitation or document relating to the New Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which

are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the New Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

This document has not been, and will not be, registered as a prospectus under the Companies Ordinance, nor has it been authorized by the Securities and Futures Commission in Hong Kong pursuant to the SFO. No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it.

WARNING: The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

(e) Singapore securities law requirements

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined under section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

2.26 Risks

Investors should carefully read the risk factors in Sections 1.3 and 4 of the Prospectus. An investment in New Shares involves various risks, a number of which are specific to the Group and the industry in which it operates.

An investment in New Shares should be regarded as speculative.

2.27 Taxation

It is the responsibility of all Applicants to satisfy themselves of the particular tax consequences that apply to them, by consulting their own professional financial and taxation advisers. Neither the Group nor any of its officers, employees or agents, nor its taxation or other advisers accepts any liability or responsibility in respect of taxation consequences connected with the Offer.

2.28 Professional advice

If you are in any doubt as to what to do in relation to the Offer, you should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

3 Purpose and effect of the Offer on the Company

3.1 Purpose of the Offer

The funds raised under the General Offer will primarily be used by the Company towards satisfying the cash components of the purchase consideration for the TETRAN Acquisition and the Skoolbag Acquisition (subject to either or both of these transactions completing).

Any remaining funds raised (following payment of the cash components) will be applied by the Company towards general working capital purposes, funding any future investments of the Company that have not yet been identified, expenses related to the Offer and other professional fees and disbursements incurred as part of the Proposed Transactions.

If the Shareholders do not approve the issue of the Tranche 2 Shares, the Company will proceed to issue only the Tranche 1 Shares.

The TETRAN Completion Shares are being issued in part satisfaction of the purchase consideration for the Company's acquisition of 100% of the issued share capital of TETRAN pursuant to the TETRAN Acquisition. Accordingly, no cash will be raised from the issue of these Shares.

3.2 Use of funds

If the Offer is fully subscribed, the Company's present intention is to use the funds raised under the Offer (from payment of the Offer Price) as follows:

	Tranche 1 (Minimum)	Tranche 1 and Tranche 2 (Maximum)
Funding cash component of Skoolbag Acquisition	\$3,000,000	\$3,000,000
Funding cash component of TETRAN Acquisition	\$0	\$4,000,000
Expenses of the Offer	\$283,157	\$517,721
Proposed Transactions Costs	\$206,000	\$206,000
Working capital / funding future investments	\$950,843	\$1,276,279
Total	\$4,440,000	\$9,000,000

This is a statement of present intention only. The Company and the Directors reserve the right to change the way and the proportion in which funds are applied, particularly if the Shareholders do not approve the issue of the Tranche 2 Shares, the Offer is not fully subscribed or if one or both of the Proposed Transactions do not proceed to completion.

While the Company believes it has sufficient funds after completion of the General Offer and completion of the Proposed Transactions to meet all of its growth and capital requirements, the Company may seek to exploit future opportunities of a kind that will require it to raise additional capital from equity or debt sources.

3.3 Effect on capital structure of the Company

General Offer and TETRAN Completion Shares

The following table sets out the Company's current capital structure and its fully diluted capital structure immediately following the successful completion of the Offer, assuming that:

- (a) the General Offer is fully subscribed at the maximum amount of \$9,000,000;

- (b) the Shareholders approve the issue of the Tranche 2 Shares;
- (c) the TETTRAN Acquisition proceeds to completion;
- (d) no other Shares are issued between the date of this Prospectus and completion of the Offer, including under the ESOP;
- (e) The TETTRAN Performance Shares and Skoolbag Performance Shares are not issued; and
- (f) none of the existing options to subscribe for Shares are exercised.

Tranche 1 (Minimum)	
Existing Shares on issue at the date of this Prospectus	1,077,004,545
Existing options on issue as at the date of this Prospectus	25,333,334
Maximum number of Tranche 1 Shares	161,454,545
Fully diluted Share capital after completion of Tranche 1¹	1,263,792,424

Tranche 2 (Maximum)	
Existing Shares on issue following Tranche 1	1,238,459,090
Existing options on issue following Tranche 1	25,333,334
Maximum Tranche 2 General Offer Shares	165,818,182
TETTRAN Completion Shares	142,857,143
Fully diluted Share capital after completion of Tranche 2¹	1,572,467,749

The Company's actual position on completion of the Offer may differ from the position illustrated in the pro-forma capital structure table above if the General Offer is not fully subscribed, the Shareholders do not approve the issue of the Tranche 2 Shares or if the TETTRAN Acquisition does not proceed to completion.

If:

- (a) the General Offer is not fully subscribed;
- (b) The amount raised under the General offer is less than \$7,000,000;
- (c) the Shareholders do not approve the issue of the Tranche 2 Shares; or
- (d) the TETTRAN Acquisition does not proceed to completion,

fewer New Shares will be issued than shown in the table above.

After the Closing Date and following the EGM, the Company will announce to the ASX the actual number of New Shares to be issued under the Offer.

General Offer, TETTRAN Completion Shares and issue of maximum number of Performance Shares

The table below sets out the Company's current capital structure and its fully diluted capital structure immediately following the successful completion of the Offer, assuming that:

- (a) the General Offer is fully subscribed at the maximum amount of \$9,000,000;
- (b) the Shareholders approve the issue of the Tranche 2 Shares;
- (c) the TETTRAN Acquisition and the Skoolbag Acquisition proceeds to completion;

- (d) the maximum number of TETRAN Performance Shares and Skoolbag Performance Shares are issued under the TETRAN SPA and the Skoolbag SPA (respectively);
- (e) no other Shares are issued between the date of this Prospectus and the date of issue of the TETRAN Performance Shares and Skoolbag Performance Shares, including under the ESOP; and
- (f) none of the existing options to subscribe for Shares are exercised.

Maximum number of Skoolbag Performance Shares and TETRAN Performance Shares	
Existing Shares on issue following General Offer	1,404,277,272
Existing options on issue as at the date of this Prospectus	25,333,334
TETRAN Completion Shares	142,857,143
TETRAN Performance Shares in respect of 2016 Financial Year	28,571,429
Skoolbag Performance Shares in respect of 2016 Financial Year	37,500,000
Skoolbag Performance Shares in respect of 2017 Financial Year	37,500,000
Fully diluted Share capital after maximum number of Skoolbag Performance Shares and TETRAN Performance Shares issued	1,676,039,178

3.4 Effect on Shareholdings

Existing Shareholders (other than the Directors) are eligible to participate in the General Offer.

The effect of the Offer on the control of the Company will depend upon a number of factors, including:

- (a) the level of Shareholder participation in the General Offer;
- (b) which Shareholders participate; and
- (c) the extent to which New Shares are traded.

The potential effect of the Offer on the Shareholdings in the Company assuming the General Offer is fully subscribed, the Shareholders approve the issue of the Tranche 2 Shares the TETRAN Acquisition is completed and no further Securities are issued can be summarised as follows:

Tranche 1 only (Minimum)	Number	% Share capital³
Shares on issue at the date of this Prospectus	1,077,004,545	85.2%
Options on issue as at the date of this Prospectus	25,333,334	2.0%
Tranche 1 New Shares	161,454,545	12.8%
Fully diluted Share capital after completion of Tranche 1 New Shares¹	1,263,792,424	100.0%

Tranche 1 and Tranche 2 (Maximum)	Number	% Share capital³
Shares on issue following Tranche 1	1,238,459,090	78.8%
Options on issue as at the date of this Prospectus	25,333,334	1.6%
Tranche 2 New Shares	165,818,182	10.5%
TETRAN Completion Shares	142,857,143	9.1%

Fully diluted Share capital after completion of Tranche 1 and Tranche 2 New shares and TETRAN Completion Shares^{1,2,4,5}	1,572,467,749	100.0%
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Notes:

1. Assuming the Offer is fully subscribed and no other Shares are issued between the date of this Prospectus and completion of the Offer, including under the ESOP.
2. Assuming the issue of the TETRAN Completion Shares are approved by Shareholders at the EGM and the TETRAN Acquisition proceeds to completion.
3. Rounded to 1 decimal place. Totals may not add due to rounding.
4. Assuming Shareholder approval is given for the issue of the Tranche 2 Shares
5. The TETRAN Performance Shares and Skoolbag Performance Shares are not issued

3.5 Prohibition on exceeding 20% voting power threshold

Applicants must have regard to and comply with the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold) (**section 606**), when applying for New Shares under this Prospectus.

The Company expressly disclaims any responsibility for ensuring that Applicants do not breach section 606 as a result of making an Application.

If Applicants may be at risk of breaching section 606 as a result of making an Application, the choices available to them include:

- (a) selling existing Shares they hold, either on market or off market, prior to allotment of New Shares to them under this Prospectus;
- (b) relying on an exemption from the takeovers prohibition in section 611 of the Corporations Act (such as the 3% creep exemption in item 9 of that section);
- (c) limit the number of New Shares applied for or not make any Application at all.

If an Applicant may be at risk of exceeding the 20% voting power threshold in section 606 or increasing their voting power from a position above 20% as a result of the acquisition of New Shares, such Applicant should seek professional advice before making an Application.

3.6 Effect on financial position of the Company

(a) General Offer

If the General Offer is successfully completed and fully subscribed, and the Shareholders approve the issue of the Tranche 2 Shares at the EGM, the broad effect on the Company's financial position will be to increase Shareholders' funds and net assets by approximately \$9,000,000 before payment of the expenses of the Offer.

(b) Tranche 1

If the Company does not receive Shareholder approval for the issue of the Tranche 2 Shares but does raise the minimum amount of \$4,440,000 successfully complete the issue of the Tranche 1 Shares, the broad effect on the Company's financial position will be to increase Shareholders' funds and net assets by a maximum amount of \$4,440,000 before payment of the expenses of the issue of the Tranche 1 Shares.

(c) Pro-forma balance sheet

To illustrate the effect of the Offer on the Company, the following pro-forma consolidated balance sheet of the Company has been prepared based on the audit reviewed accounts of the Company as at 31 December 2015 and adjusted to reflect the following pro-forma transactions:

- (i) The position as if the General Offer was fully taken up and effected on 31 December 2015.
- (ii) The position as if the Proposed Transactions were completed on 31 December 2015.

- (iii) No securities have been issued under the ESOP;
- (iv) Payment of approximately \$517,721, representing the expenses of the Offer under Tranche 1 and Tranche 2 or \$283,157 if only Tranche 1 completed.

If the Offer is not fully subscribed, the amount of all of the impacted items shown in the unaudited pro-forma balance sheet will be reduced, however, no other items in the Company's balance sheet will be affected.

The actual financial position on completion of the Offer may also differ from the position illustrated in the pro-forma capital structure and pro-forma balance sheet due to movements in profit / (loss) and in the asset and liability levels during the period between 31 December 2015 and the date when the Offer is completed.

Montech Holdings Limited Pro-forma Statement of Financial Position 31 December 2105

	Note	Audited Historical 31 December 2015	Unaudited Pro- forma 31 December 2015 (Tranche 1 Subscription of \$4,440,000)	Unaudited Pro- forma 31 December 2015 (Tranche 1 plus Maximum Tranche 2 Subscription of \$9,000,000)
		\$	\$	\$
Current Assets				
Cash and cash equivalents	1	1,245,475	3,066,318	4,473,599
Trade and other receivables	2	3,539,529	3,921,529	5,432,529
Work In Progress		316,908	316,908	316,908
Other assets	3	316,577	316,577	561,577
Total Current Assets		5,418,489	7,621,332	10,784,613
Non-Current Assets				
Deferred tax assets		366,279	366,279	366,279
Property, plant and equipment	4	379,698	389,698	658,698
Intangibles - Goodwill	5	0	5,676,000	14,261,000
Other non-current assets		89,339	89,339	89,339
Total Non-Current Assets		835,316	6,521,316	15,375,316
Total assets		6,253,805	14,142,648	26,159,929
Current Liabilities				
Trade and other payables	6	3,593,670	3,644,670	4,490,670
Revenue invoiced in advance	7	0	312,000	312,000
Deferred revenue	8	165,332	595,332	835,332
Provisions	9	675,466	989,466	1,595,311
Total Current Liabilities		4,434,468	5,541,468	7,233,313
Total Liabilities		4,434,468	5,541,468	7,233,313
Net Assets		1,819,337	8,601,180	18,926,616
Equity				
Issued capital	10	33,318,476	37,475,319	46,800,755

Shares to be issued	11	0	2,625,000	3,625,000
Reserves		8,665	8,665	8,665
Accumulated losses		(31,507,804)	(31,507,804)	(31,507,804)
Total Equity		1,819,337	8,601,180	18,926,616

		<i>Tranche 1 Subscription of \$4,440,000</i>	<i>Tranche 1 plus Maximum Tranche 2 Subscription of \$9,000,000</i>
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NOTES to the Pro-forma Balance Sheet*Note*

1	<u>Cash movements</u>	(\$)	(\$)
	Cash Balance MOQ	1,245,475	1,245,475
	Cash Balance TETTRAN	0	385,000
	Cash Balance Skoolbag	0	0
	Issue of new shares	4,440,000	9,000,000
	Expenses of the Offer	(283,157)	(517,721)
	Estimated cash settlement TETTRAN*	0	(3,303,155)
	Estimated cash settlement Skoolbag*	(2,336,000)	(2,336,000)
	Total	3,066,318	4,473,599
*Estimated cash settlement in relation to the TETTRAN Acquisition and the Skoolbag Acquisition is net of potential working capital and other adjustment per the TETTRAN SPA and Skoolbag SPA respectively. If for example at the time of completion of the TETTRAN Acquisition and the Skoolbag Acquisition, the working capital adjustment is \$0 for each, the estimated cash settlement for the TETTRAN Acquisition and the Skoolbag Acquisition would be \$4,000,000 and \$3,000,000 respectively.			
2	<u>Trade and Other Receivables</u>	(\$)	(\$)
	Trade and Other Receivables MOQ	3,539,529	3,539,529
	Trade and Other Receivables TETTRAN	0	1,511,000
	Trade and Other Receivables Skoolbag	382,000	382,000
	Total	3,921,529	5,432,529
3	<u>Other Assets</u>	(\$)	(\$)
	Other Assets MOQ	316,577	316,577
	Other Assets TETTRAN		245,000
	Total	316,577	561,577
4	<u>Property, plant and equipment</u>	(\$)	(\$)
	PPE MOQ	379,698	379,698
	PPE TETTRAN	0	269,000
	PPE Skoolbag	78,000	78,000
	Less: PPE Skoolbag to be written off prior to completion	(68,000)	(68,000)
	Total	389,698	658,698
5	<u>Intangibles - Goodwill</u>	(\$)	(\$)
	Goodwill Skoolbag	457,000	457,000
	Intangibles on acquisition - TETTRAN	0	7,585,000
	Intangibles on acquisition - Skoolbag	2,594,000	2,594,000
	Goodwill on performance shares - TETTRAN	0	1,000,000
	Goodwill on performance shares - Skoolbag	2,625,000	2,625,000
	Total	5,676,000	14,261,000
6	<u>Trade and Other Payables</u>	(\$)	(\$)
	Trade and Other Payables MOQ	3,593,670	3,593,670
	Trade and Other Payables TETTRAN	0	846,000

	Trade and Other Payables Skoolbag	51,000	51,000
	Total	3,644,670	4,490,670
7	<u>Revenue invoiced in advance</u>	(\$)	(\$)
	Revenue invoiced in advance Skoolbag	312,000	312,000
	Total	312,000	312,000
8	<u>Deferred Revenue</u>	(\$)	(\$)
	Deferred revenue MOQ	165,332	165,332
	Deferred revenue TETRA	0	240,000
	Deferred revenue Skoolbag	430,000	430,000
	Total	595,332	835,332
9	<u>Provisions</u>	(\$)	(\$)
	Provisions MOQ	675,466	675,466
	Provision for Tax TETRA	0	469,845
	Provision for Tax Skoolbag	300,000	300,000
	Leave provisions TETRA	0	136,000
	Leave provisions Skoolbag	14,000	14,000
	Total	989,466	1,595,311
10	<u>Issued Capital</u>	(\$)	(\$)
	Issued Capital MOQ	33,318,476	33,318,476
	New shares pursuant to prospectus Tranche 1 (Minimum)	4,440,000	0
	New shares pursuant to prospectus (Tranche 1 and Tranche 2) (Maximum)	0	9,000,000
	TETRA Completion Shares	0	5,000,000
	Estimated share issue costs	(283,157)	(517,721)
	Total	37,475,319	46,800,755
11	<u>Value of shares to be issued (if performance hurdles met)</u>	(\$)	(\$)
	FY16 TETRA*	0	1,000,000
	FY16 Skoolbag*	1,312,500	1,312,500
	FY17 Skoolbag*	1,312,500	1,312,500
	Total	2,625,000	3,625,000

Note: This represents the maximum value of TETRA Performance Shares and Skoolbag Performance Shares to be issued and the ultimate amount of Performance Shares to be issued may differ.

4 Risk Factors

4.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Group's business. In addition, there are other general risks, many of which are largely beyond the control of the Group and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Group and the market price of Shares (including New Shares).

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed or will be exposed to as a result of the Proposed Transactions. The types of risks the Company is exposed to can change over time and vary with changes in economic, technological, environmental and regulatory conditions within the ICT industry and more generally.

4.2 Key and unique risks – TETRAN and Skoolbag

(a) Proposed Transactions are conditional

There are a number of conditions that need to be satisfied prior to the completion of the Proposed Transactions, as outlined in the TETRAN SPA and Skoolbag SPA. There is a risk that, unless otherwise waived, one or a number of these conditions will not be satisfied by the party on which the respective obligation rests, which may delay the completion of one or both of the Proposed Transactions (if they complete at all). It should be noted that the issue of the New Shares under this Prospectus is not conditional in any way on the Company completing one or both of the TETRAN Acquisition or Skoolbag Acquisition.

(b) TETRAN Customer concentration

TETRAN's top 10 customers contribute to more than 70% of total revenue, with the top 3 customers contributing to approximately 50% of revenue in FY15. The loss of any top customers could materially affect TETRAN's financial position and prospects.

(c) Exchange Rates

TETRAN operates a Centre of Excellence in Sri Lanka with over 65 employees and therefore may be exposed to rapid and material movements in exchange rates between Australia and Sri Lanka which could affect its balance sheet and cash position.

(d) TETRAN and Skoolbag third party agreements not formally exclusive

Many of the agreements that TETRAN and Skoolbag currently have in place with their vendors are not exclusive. This means that the vendors are free to engage with other service providers, who will naturally become competitors of the TETRAN and Skoolbag businesses. Furthermore, there is no guarantee that the vendors will continue their agreements with either TETRAN or Skoolbag.

(e) Industry and competition

The environments that TETRAN and Skoolbag operate in are competitive and therefore TETRAN and/or Skoolbag's competitive position may deteriorate as a result of factors including actions by existing competitors, the entry of new competitors, or TETRAN and/or Skoolbag's ability to position themselves successfully. As an example, the Queensland government rolled out the Qschools communication app for state government schools in

Queensland. As a result, Skoolbag has, on average, had lower levels of success in converting state government schools in Queensland than in other states.

(f) Dilution of existing Shareholdings in the Company:

In the event that the Proposed Transactions complete, the issue of the TETRAN Completion Shares and potential TETRAN Performance Shares to the TETRAN Vendors (or their nominees) and potential Skoolbag Performance Shares to the Skoolbag Vendors (or their nominees) will have a significant dilutionary effect on existing shareholdings of the current Shareholders of the Company.

Completion of the General Offer under this Prospectus will also further dilute current Shareholders of the Company.

(g) Changes to vendor and customer agreements:

There is a risk that TETRAN and Skoolbag will be unable to maintain or renew key vendor and customer agreements that it currently has in place. Any adverse changes to its commercial relationships with the vendors or customers would materially affect its financial position and prospects.

(h) Integration risk:

If the Skoolbag Acquisition and the TETRAN Acquisitions are completed, the Company may explore the integration of TETRAN and Skoolbag into the Company's existing trading entity 'MOQdigital' under one collaborative management, with the intention to draw synergies between the businesses to solidify their presence in the ICT industry and promote future growth of both businesses. There is a risk that the integration (if implemented) will not be successful or prove costly for the Company.

(i) Operational risks for TETRAN and Skoolbag:

The TETRAN and Skoolbag businesses have the following unique operational risks:

- (i) Approximately half of the future revenues of TETRAN are dependent on the business being able to consistently win future contracts for services from existing and new customers. There is a risk that TETRAN may not be able to replenish its respective sales pipeline in a timely and commercially viable manner.
- (ii) As TETRAN is a business which depends on its labour force, there is a risk that it will be unable to continuously source appropriately qualified and capable staff to satisfy customer needs.
- (iii) TETRAN operates a centre of excellence in Sri Lanka and as such is exposed to operational and compliance risks operating a foreign subsidiaries including but not limited to compliance with local laws, fair-trading, taxation, employment, occupational health and safety.
- (iv) The Development of Skoolbag to date has been largely carried out by a small team of developers. Skoolbag may lose key personnel with deep understanding of the software development process, structure and style carried out to date. If Skoolbag need to replace those personnel, there may be a time lag for new developers to get up to speed which could adversely impact the business and its ability to execute its planned growth strategy.

4.3 **Company and industry specific risks**

(a) General operational risks

The Company's business has the following unique operational risks:

- (i) The Company, through its main trading entity, MOQdigital, is in the early stages of developing recurring revenues from managed services and commercialised intellectual property. Considerable further effort is required to develop, implement

and maintain a market plan for a commercialised intellectual property and, and to develop the related systems and processes to be successful. There is a risk that the continued development of recurring revenues will not be successful and cannot be maintained by the Company's trading businesses.

- (ii) A significant proportion of the Company's revenue derives from hardware sales. Whilst profit margins have been historically positive and demand strong, there is a risk that this may not be maintained in the future, as Cloud computing continues to influence and change the ICT industry.
- (iii) Future revenues of the Company are heavily dependent on the business being able to consistently win future contracts for services from existing and new customers. There is a risk that the Company may not be able to replenish their respective sales pipelines in a timely and commercially viable manner.

(b) Global competitiveness of Australian ICT industry

Generally, Australia's internet connection speed is slow compared to countries like South Korea, Japan, Hong Kong and the United States of America. Also it is believed that more funds should be dedicated towards the development and application of areas which are recognised as essential to economic prosperity in the future. In the event that the Australian ICT industry loses its global competitiveness, this may have an adverse effect on the Company's ICT business interests from an operational point of view.

(c) Rate of adoption of Cloud computing:

The future success of the Company's trading business is highly contingent on the continued adoption and development of the ICT industry in Australia, and specifically, Cloud computing practices and systems amongst businesses, organisations and individuals in Australia. There is no guarantee that this will occur, and if the ICT industry was to stagnate or deflect in a direction that is not consistent with the Company's vision and/or offerings, this may have a negative effect on the financial performance of the Company.

(d) Slowdown in technical innovation:

It is important for the future growth of the Company that it continues to innovate and seamlessly move with technological changes and advancements. Developments in the ICT industry generally occur at a much quicker pace and the need to maintain a disruptive, proactive stance is more prevalent in the ICT industry than compared to many other industries. In the event that MOQdigital are unable to keep up with the demands of the changing market, there is a risk that this will affect the profitability and scalability of the Company's operations. There is no guarantee that whatever innovations the Company develops will be successful in the marketplace.

(e) Changes in regulatory environment

Changes to laws, regulations and accounting standards which apply the Company from time to time could materially and adversely impact upon the operating and financial performance and cash flows of the Company, and therefore the operations and performance of the Company.

(f) Security and privacy risks

As the Company uses Cloud computing practices as part of the services and products offering to customers, there are additional technical and security risks which could adversely affect the Company's operations in the future.

4.4 Other general risks

(a) Economic and government risks

There is a risk that the price of the Company's Shares may be affected by a range of factors generally beyond the control of the Company, including, but not limited to inflation,

interest rates, domestic and international economic growth, changes to taxation legislation, interpretation and policies, legislative change, political instability, disasters, industrial disputes, social unrest, war on a local or global scale, specific industry conditions, stock market conditions in Australia and elsewhere, changes in investor sentiment towards particular market sectors, acts of God, and acts of terrorism.

(b) Exchange rates

The Company may be exposed to rapid and material movements in exchange rates which could affect its balance sheet and cash position.

(c) Protection of intellectual property

Whilst the Company (including TETRAN and Skoolbag) will remain diligent in its effort to protect its intellectual property to the fullest extent, there is no guarantee that disputes will not arise in the future that could prove costly for the Company.

(d) Future capital needs

Further funding may be required to advance the business objectives of the Company in the future. There can be no assurance that alternative funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the financial condition of the Company and consequently, the value of its Shares.

(e) Loss of key personnel

The responsibility of overseeing the day to day operations and the strategic management of the Company (including TETRAN and Skoolbag) is substantially dependent upon its management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or a number of the Company's key personnel cease their employment or involvement with the Company. The future success of the Company also depends upon its continuing ability to attract and retain highly qualified personnel. The ability to attract and retain the necessary personnel could have a material effect upon the Company's business, results of operations and financial condition.

(f) Liquidity and realisation risks

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. Moreover, there may be relatively few buyers or a relatively high number of sellers of the Company's Shares on the ASX at any given time, which may increase not only the volatility of the market price of the Shares but also the prevailing market price at which Shareholders can sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price paid for their Shares.

(g) Insurance risk

The Company intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with business operations is not always available and where available the costs can be prohibitive.

(h) Share market conditions

The market price of securities can fall and may be subject to varied and unpredictable influences on the market for equities. Potential Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Securities regardless of the Company's performance. Neither the

Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(i) Other acquisitions and investments

The Company may look to acquire other investments and assets in the future, details of which are not known as at the date of this Prospectus. Those acquisitions and investments will generally carry their own set of unique risks, even if the acquisition operated in a similar undertaking to the Company's main undertakings.

4.5 **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Group or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Group and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

5 Additional Information

5.1 Skoolbag Acquisition

(a) Skoolbag – Background

Launched in 2013, Skoolbag is a NSW based technology company providing software-as-a-service solutions primarily to educational institutions, child care centres and sports clubs. Skoolbag enables communication with parents or club members through a personalised smart phone or web application and has a strong reputation and customer satisfaction level. It has been implemented in over 2,500 institutions across Australia and overseas, and is downloaded by more than 1 million end users.

More information about Skoolbag can be found on their website at www.skoolbag.com.au

(b) Skoolbag SPA

The Skoolbag SPA was executed on 2 March 2016. Pursuant to the Skoolbag SPA, the Company has agreed to acquire all of the share capital of Skoolbag. In consideration for the Acquisition, Skoolbag Vendors will receive the following amounts:

- (i) Maximum \$3,000,000 cash on completion (subject to working capital and other adjustments); and
- (ii) up to 75,000,000 Shares (each with a deemed issue price of \$0.04 per Share) depending on the performance of the Skoolbag business in the 2016 and 2017 Financial Years (**Skoolbag Performance Shares**) Further details on the Skoolbag Performance Shares are set out below.

The consideration to be provided to the Skoolbag Vendors under the Skoolbag SPA has a total maximum monetary value of \$6,000,000.

(c) Conditions precedent

Completion of the Skoolbag SPA is conditional upon certain conditions precedent (**Skoolbag Conditions**) being satisfied or waived before 31 May 2016. Each of the Skoolbag Conditions are for the benefit of the Company and the Company has the sole discretion to waive any of the Skoolbag Conditions. Set out below are the material Skoolbag Conditions:

- (i) the Company obtaining a waiver or consent to any change of control provisions in the material contracts and property leases of the Skoolbag business;
- (ii) there is no material adverse change between the date of the Skoolbag SPA and completion;
- (iii) the approval of the board of directors of the Company to the transaction;
- (iv) any indebtedness of Skoolbag to any of its related parties or related bodies corporate being repaid discharged or satisfied and a valid release being given to Skoolbag in relation to all such indebtedness;
- (v) any indebtedness of any related parties or related bodies corporate to Skoolbag being repaid, satisfied or otherwise discharged;
- (vi) any non-trading related expenses or non-commercial arrangements of Skoolbag, as determined by the Company, having been discontinued;

- (vii) the Company obtaining shareholder approval for any matter which is required to effect completion and which requires shareholder approval under the Corporations Act, the Listing Rules of the ASX or the Company's constitution including:
 - (A) the General Offer; and
 - (B) the purchase of Skoolbag.
- (viii) the Company issuing this Prospectus;
- (ix) the Company successfully conducting the General Offer;
- (x) the Company obtaining all necessary regulatory approvals for the transaction contemplated under the Skoolbag SPA;
- (xi) the Company being satisfied that Skoolbag's tax filings have been filed with the relevant taxation authorities; and
- (xii) the Company being satisfied that that Skoolbag's Tax returns:
 - (A) disclose all material facts that should be disclosed under any Tax Law; and
 - (B) are not misleading.

As of the date of this Prospectus, the Directors are not aware of any reason why any of the Skoolbag Conditions will not be satisfied or waived by the Company on or before the time required under the Skoolbag SPA.

If all of the Skoolbag Conditions are satisfied or waived by the Company, completion of the Skoolbag SPA is expected to occur as soon as possible following the issue of the Tranche 1 Shares. If any of the Skoolbag conditions are not satisfied or waived by the Company, in the absence of any agreement between the parties otherwise, the Skoolbag SPA will be terminated and the Skoolbag Acquisition will not occur.

(d) Skoolbag SPA – other

The Skoolbag Vendors have provided certain standard representations and warranties to the Company relating to the Skoolbag shares being sold; including in relation to Skoolbag, its assets, its financial standing, its material contracts, intellectual property rights, taxation status, insurance arrangements, information technology systems, employees, solvency and corporate records.

(e) Skoolbag Performance Shares

The Company will issue to the Skoolbag Vendors up to a maximum of 37,500,000 per year in respect of the performance of Skoolbag in each of the 2016 and 2017 Financial Years only.

The allotment of Skoolbag Performance Shares after completion is subject to the satisfaction of performance criteria in respect of the Financial Year ending 30 June 2016 and 30 June 2017 as follows:

(i) 2016 Financial Year

The following Skoolbag Performance Shares will be issued to the Skoolbag Vendors on satisfaction of the conditions set out alongside each tranche below based on Skoolbag's 2016 Financial Year accounts:

	Condition	No of Skoolbag Performance Shares

Tranche 1	The Company achieves Subscription Revenue of at least \$1,200,000 (to be calculated consistent with revenue recognition principles in the 2015 Financial Year accounts of Skoolbag).	12,500,000
Tranche 2	The total number of Product Customers is at least 2,710.	12,500,000
Tranche 3	The Maintainable EBIT of the Company is at least \$1,268,586 (to be calculated consistent with revenue recognition principles in the 2015 Financial Year accounts of Skoolbag).	12,500,000

(ii) 2017 Financial Year

The following Skoolbag Performance Shares will be issued to the Skoolbag Vendors on satisfaction of the conditions set out alongside each tranche below based on Skoolbag's 2017 Financial Year accounts:

	Condition	No of Skoolbag Performance Shares
Tranche 1	The Company achieves Subscription Revenue of at least \$1,617,173 (to be calculated consistent with revenue recognition principles in the 2015 Financial Year accounts of Skoolbag).	12,500,000
Tranche 2	The total number of Product Customers is at least 3,510.	12,500,000
Tranche 3	The Maintainable EBIT of the Company is at least \$1,637,173 (to be calculated consistent with revenue recognition principles in the 2015 Financial Year accounts of Skoolbag)	12,500,000

For the avoidance of doubt, the individual tranches set out in sections 5.1(e)(i) and 5.1(e)(ii) of this Prospectus are not mutually exclusive and are to be considered separately. Failure by Skoolbag to satisfy a Tranche set out in either of in sections 5.1(e)(i) and 5.1(e)(ii) of this Prospectus does not impact the opportunity to meet a following Tranche, and in the case of a failure to satisfy an individual Tranche in section 5.1(e)(i) of this Prospectus this will not impact on the opportunity to meet any Tranche in section 5.1(e)(ii) of this Prospectus.

Notwithstanding the above, if the Maintainable EBIT of Skoolbag in the 2016 Financial Year falls below \$900,000 no Skoolbag Performance Shares will be issued in respect of the 2016 Financial Year set out in sections 5.1(e)(i) of this Prospectus. In addition, if the Maintainable EBIT of Skoolbag in the 2017 Financial Year falls below \$1,000,000, the Company will be under no obligation to issue any Skoolbag Performance Shares set out in section 5.1(e)(ii) of this Prospectus.

(f) Issue of Skoolbag Performance Shares

The Skoolbag Performance Shares (if any) must be issued no later than 10 Business Days after the 2016 Financial Year accounts or 2017 Financial Year accounts of Skoolbag (as applicable) are agreed between the Skoolbag Vendors and the Company except in the

event that Shareholder approval is required, in which event the Skoolbag Performance Shares will be issued as soon as practicable after such approval is obtained.

(g) Escrow

As a minimum, the Skoolbag Performance Shares will be escrowed as follows:

- (a) All escrowed for 12 months following allotment; and
- (b) Half escrowed for 24 months following allotment.

5.2 TETRAN Acquisition

(a) TETRAN – Background

Founded in 2006, TETRAN is an Australian owned and based technology company offering managed IT services and professional services, with over 90 employees across offices in Australia (HQ), New Zealand, Singapore and a Centre of Excellence in Sri Lanka. As a managed and cloud services IT company, TETRAN focuses on providing innovative operational IT services and solutions that are core to business productivity.

More information about TETRAN can be found on their website at www.tetran.com.au

(b) TETRAN SPA

The TETRAN SPA was executed on 2 March 2016. Details of the consideration payable by the Company to the TETRAN Vendors is set out above at section 2.10 of this Prospectus. In addition to the TETRAN Completion Shares and the TETRAN Performance Shares, the Company will also pay to the TETRAN Vendors \$4,000,000 in cash (such amount being subject to a working capital adjustment).

The maximum consideration to be provided to the TETRAN Vendors under the TETRAN SPA has a total maximum monetary value of \$10,000,000 (such amount being subject to a working capital and other adjustments).

(c) Conditions precedent

Completion of the TETRAN SPA is conditional upon certain conditions precedent (**TETRAN Conditions**) being satisfied or waived before 30 June 2016. Set out below are the material TETRAN Conditions (and the parties who have the benefit of those conditions):

- (i) (for the benefit of the Company only) each of Don Francis, Chad Lurie, Gavin Kawalsky and Marlon De Cruz execute employment agreements with the Company;
- (ii) (for the benefit of the TETRAN Vendors and the Company) the Company obtaining shareholder approval for any matter which is required to effect completion and which requires shareholder approval under the Corporations Act, the Listing Rules of the ASX or the Company's constitution including:
 - (A) the General Offer; and
 - (B) the purchase of TETRAN; and
 - (C) the issue of the TETRAN Completion Shares, and three months has not elapsed since the gaining of such shareholder approval;
- (iii) (for the benefit of the TETRAN Vendors and the Company) the Company issuing this Prospectus;
- (iv) (for the benefit of the Company) the Company successfully completing the General Offer;

- (v) (for the benefit of the Company and the TETTRAN Vendors) the Company obtaining all necessary regulatory approvals for the transaction contemplated under the TETTRAN SPA and any approvals required from the ASX and ASIC.

As of the date of this Prospectus, the Directors are not aware of any reason why any of the TETTRAN SPA conditions will not be satisfied on or before the time required under the TETTRAN SPA.

If all of the TETTRAN Conditions are satisfied or waived by the Company, completion of the TETTRAN SPA is expected to occur as soon as practicable after the EGM. If any of the TETTRAN conditions are not satisfied or waived by the Company or Tetran, as the case may be, in the absence of any agreement between the parties otherwise, the TETTRAN SPA will be terminated and the TETTRAN Acquisition will not occur.

(d) TETTRAN Performance Shares

Under the TETTRAN SPA:

- (i) if the Normalised FY16 EBITDA of the Tetran Group is equal to or greater than \$1,770,000 (the **Target FY16 EBITDA**), the Company will issue the TETTRAN Performance Shares to the TETTRAN Vendors in the amounts set out in section 2.10.
- (ii) If the Normalised FY16 EBITDA of the TETTRAN Group is less than the Target FY16 EBITDA but equal to or greater than \$1,650,000, the Company will issue the Performance Shares adjusted as follows (together with holding statements in relation to the Performance Shares), to the TETTRAN Vendors in the amounts set out in section 2.10:

$$x = \left(\frac{A}{B} \right) \times C$$

where:

x = the total number of TETTRAN Performance Shares to be issued to the TETTRAN Vendors;

A = Normalised FY16 EBITDA less \$1,307,929;

B = \$462,071; and

C = 28,571,429.

(e) Issue of TETTRAN Performance Shares

The Company will issue the TETTRAN Performance Shares (if any) to the TETTRAN Vendors within 5 Business Days after the determination of the exact number of TETTRAN Performance Shares under the SPA (**TETTRAN Performance Share Issue Date**).

If the issue of the TETTRAN Performance Shares requires shareholder approval under the Corporations Act, the Listing Rules of the ASX or the Buyer's constitution:

- (i) the issue of the TETTRAN Performance Shares will only occur within 5 Business Days after the Company has obtained the relevant approvals, and the Company must use all reasonable efforts to promptly obtain such approvals; and
- (ii) if the Company is not able to obtain the required approvals to issue the TETTRAN Performance Shares within 12 weeks of the TETTRAN Performance Share Issue Date, then the Company will on that date pay the TETTRAN Vendors an amount which is equal to the volume weighted average market price value of the TETTRAN Performance Shares that would have been issued on the ASX for the 20 trading day period ending on the TETTRAN Performance Share Issue Date.

(f) Escrow of TETRAN Performance Shares

All TETRAN Performance Shares will be escrowed for a period of 12 months, commencing on the date of issue and allotment of those TETRAN Performance Shares.

(g) TETRAN SPA – other

The TETRAN Vendors have provided certain standard representations and warranties to the Company relating to the TETRAN shares being sold; including in relation to TETRAN, its assets, its financial standing, its material contracts, intellectual property rights, taxation status, insurance arrangements, information technology systems, employees, solvency and corporate records.

5.3 Employee incentive plan

The Directors currently intend to put a resolution to the Shareholders at the EGM to adopt an employee incentive plan (**ESOP**) for the Company, pursuant to which the Directors have the discretion to offer Shares and/or options to subscribe for Shares to certain nominated individuals as a form of long term equity incentive.

At the time of this Prospectus, the terms and conditions of the ESOP, including, without limitation, the number of ESOP Shares and/or options, the vesting conditions and exercise price of the rights granted under the ESOP and the individuals who will be able to participate in the ESOP have not been determined.

For these reasons, the effect of the ESOP has not been taken into account when determining the effect of the Offer on the capital structure of the Company.

5.4 Continuous disclosure and inspection of documents

The Company is a disclosing entity for the purpose of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations.

The Company believes that it has complied with the general and specific disclosure requirements of the Corporations Act and Listing Rules, which require the Company to notify the ASX of information about specific events or matters as they arise, for the purpose of the ASX making that information available to the market conducted by the ASX.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class which has been continuously quoted by the ASX at all times during the 3 months before the date of the Prospectus. Apart from prescribed matters, this Prospectus need only contain information relating to the Terms of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the New Shares. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offer prospectus.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will make available a copy of each of the following documents, free of charge, to any person who asks for it during the Offer period:

- (a) The annual financial report for the year ended 30 June 2015 (being the annual financial report most recently lodged with ASIC in relation to the Company before the issue of this Prospectus), a copy of which is available at the Company's website <http://www.moq.com.au>;
- (b) The half year financial report for the period ended 31 December 2015 (being the half year financial report most recently lodged with ASIC in relation to the Company before the issue of this Prospectus), a copy of which is available at the Company's website <http://www.moq.com.au>; and
- (c) Any continuous disclosure notices given by the Company after the lodgement with ASIC of the annual financial report referred to at 5.4(a) above and before the lodgement with ASIC

of a copy of this Prospectus. These include the following announcements, which are listed in the same reverse chronological order as appears on the ASX webpage for the Company's announcements:

Date	Title of announcement
23/03/2016	Suspension from Official Quotation
21/03/2016	Trading Halt
15/03/2016	New IP Distribution Agreement and CISCO Partner Award
07/03/2016	Acquisitions and Business Update
03/03/2016	Acquisitions of TETRAN and Skoolbag
01/03/2016	Trading Halt
29/02/2016	Half Yearly Report & Accounts
15/02/2016	Expiry of Unlisted Options
29/01/2016	Appendix 4C – quarterly
1/12/2015	Company Secretary Resignation
1/12/2015	Details of Company Address
25/11/2015	Results of Meeting
25/11/2015	AGM Chairman and CEO Address to Shareholders
30/10/2015	Appendix 4C – quarterly
23/10/2015	Notice of Annual General Meeting/Proxy Form
6/10/2015	Company Presentation
1/10/2015	Response to ASX Appendix 3Y Query
29/09/2015	Appendix 4G and Corporate Governance Statement

This Prospectus contains details specific to the Offer. If Shareholders require any further information in relation to the Company, those Shareholders should take advantage of the ability to inspect or obtain copies of the documents referred to above.

5.5 Market Price of Shares

The highest and lowest market sale price of the Company's Shares on the ASX during the 3 calendar months immediately preceding the date of issue of this Prospectus and the last market price on the last day of trading before lodgement is set out below:

	Price	Date
Highest	\$0.039	16 March 2016
Lowest	\$0.035	26 February 2016
Last	\$0.038	18 March 2016

5.6 Rights attaching to Shares (including New Shares)

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

- (a) **Ordinary Shares:** The New Shares to be issued under this Prospectus will rank equally with the issued fully paid ordinary shares in the Company. The rights attaching to shares are set out in the Company's constitution and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules and general law.

- (b) General meetings: Shareholders are entitled to be present in person or by proxy, attorney or representative to attend and to vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the constitution of the Company.
- (c) Voting rights: Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or of classes of Shareholders:
- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
 - (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
 - (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by that person or in respect of which the person is appointed proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.
- (d) Dividend Rights: The Board may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a Share, all dividends will be declared and paid according to the proportion of the amount paid on the Share to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Board as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.
- The Board may from time to time grant to Shareholders or to any class of Shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for shares in the Company on such terms and conditions as the Directors think fit. The Directors may at their discretion resolve, in respect of any dividend which it is proposed to pay or to declare on any shares of the Company, that holders of such shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of shares credited as fully paid to the extent and on the terms and conditions provided for in the Constitution. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may properly be applied.
- (e) Winding up: If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.
- The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other Securities in respect of which there is any liability.
- (f) Transfer of Shares: Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.
- (g) Future increase in capital: The allotment and issue of any new Shares is under the control of the Board. Subject to restrictions on the issue or grant of Securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special

right previously conferred upon the holder of an existing Share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

- (h) Variation of rights: Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of at least three quarters of the issued shares of that class or, if authorised by a special resolution passed at a separate meeting, of the holders of the shares of that class.

5.7 Directors' Interests

(a) General

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of that persons association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (i) the formation of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with the Company's formation; or
- (iii) the Offer.

In addition, except as set out below or elsewhere in this Prospectus, no benefits of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or the promotion of the Company.

(b) Interest in Securities

The Directors are not required under the Company's constitution to hold any Shares in the Company.

The following table sets out the relevant interests in Shares and options over Shares held by each of the existing Directors as at the date of this Prospectus

Director (including associates)	Shares held (directly and indirectly)	Options held (directly and indirectly)
David Shein	40,833,334	Nil
Joseph Fridman	183,283,334	Nil
Jonathan Pager	7,450,000	2,500,000
Michael Pollak	19,800,000	9,000,000
Nicola Page	141,666,667	Nil
Joseph D'Addio	176,559,780	Nil
Scott McPherson	176,559,780	Nil

The existing Directors (and their associates) are not entitled to apply for New Shares under the Offer.

Following completion of the TETRAN Acquisition, it is proposed that Mr Don Nanayakkara be appointed to join the Board of the Company. Mr Nanayakkara is a TETRAN Vendor and:

- (i) 56,962,610 TETRA Completion Shares will be allotted to Mr Nanayakkara (or his nominee) subject to and on completion of the TETRA Acquisition;
- (ii) Up to 9,065,714 TETRA Performance Shares will be allotted to Mr Nanayakkara (or his nominee) subject to satisfaction of performance criteria following completion of the TETRA Acquisition; and
- (iii) Is entitled to apply for New Shares under the Offer.

Shareholder approval for the election of Mr Nanayakkara and the allotment of TETRA Completion Shares to him (or his nominee) is being sought at the EGM.

The allotment of TETRA Performance Shares to Mr Nanayakkara (or his nominee) after completion is subject to the satisfaction of performance criteria in respect of the Financial Year ending 30 June 2016. Such allotment may require Shareholder approval in compliance with applicable ASX Listing Rules and Corporations Act requirements.

Mr Nanayakkara and his associates do not currently hold any Shares or options to subscribe for Shares.

(c) Remuneration

Directors' remuneration for the last 2 years was as follows:

Director	Salary and fees (\$)		Other (\$)		Total (\$)	
	For year ended 30 June 2014	For year ended 30 June 2015	For year ended 30 June 2014	For year ended 30 June 2015	For year ended 30 June 2014	For year ended 30 June 2015
David Shein	10,134	27,397	937	43,674	11,071	71,071
Joseph Fridman	11,071	32,500	-	38,571	11,071	71,071
Jonathan Pager	11,071	57,500	-	38,571	11,071	96,071
Michael Pollak	10,134	50,228	937	45,843	11,071	96,071
Nicola Page	-	16,667	-	1,565	-	18,232
Joseph D'Addio	-	16,667	-	1,565	-	18,232
Scott McPherson	-	16,667	-	1,565	-	18,232

It is proposed that, on and from the completion of the TETRA SPA, Don Nanayakkara will be appointed as an executive director of the Company and will continue in his role as Chief Executive Officer of the TETRA business. For this role he will be paid an annual base salary of \$167,352 (rising to \$200,000 from 1 July 2016) plus super plus an annual incentive payment of up to a maximum amount of \$81,217 depending on his personal performance and the Company's performance. The Company has the absolute discretion as to whether it will pay any or all of the incentive amount. The Company will not pay Mr Nanayakkara any directors fees above his agreed salary.

Non-executive Directors' fees are determined within an aggregate non-executive Directors' fee pool limit. For the Financial Year commencing 1 July 2015 and in respect of each Financial Year thereafter and until otherwise determined by a resolution of Shareholders, the maximum aggregate remuneration payable by the Company to all non-executive Directors of the Company for their services as Directors including their services on a Board committee or sub-committee and including superannuation is limited to \$500,000 per annum (in total).

Directors are entitled to be reimbursed for their reasonable expenses incurred in connection with the affairs of the Company. A Director may also be remunerated as determined by the Directors if that Director performs additional or special duties for the Company. A former director may also receive a retirement benefit of an amount determined by the Directors in recognition of past services, subject to the Listing Rules and the Corporations Act.

(d) Indemnification and Directors & Officers Insurance

The Company has agreed to indemnify the current Directors and certain current executives of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors or officers of the Company, to the extent permitted by law. The indemnity agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company pays a premium to insure Directors and certain officers of the Company and controlled entities. The officers of the Company covered by the insurance policy include the current Directors and secretary of the Company and its subsidiaries, senior management of the Company and senior management of divisions and controlled entities of the Company. As the insurance policy operates on a claims made basis, former Directors and officers of the Company are also covered.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company or controlled entities. The insurance policy outlined above does not contain details of premiums paid in respect of individual Directors and officers of the Company. The insurance policy prohibits disclosure of the premium paid.

The Company has not otherwise indemnified or agreed to indemnify an officer of the Company or of any related body corporate against a liability incurred by such officer.

5.8 Agreement with Blue Ocean

The Company has entered into a mandate letter dated 15 March 2016 (**Mandate**) appointing the Lead Manager as lead manager for the General Offer, on the terms and conditions of the Mandate.

Company agrees to pay Blue Ocean a management fee equivalent to 2.5% of the total amount raised by the Lead Manager under the General Offer (the **Management Fee**). The Company will also pay to the Lead Manager a selling fee equivalent to 2.5% of the total amount raised by the Lead Manager under the General Offer (**Selling Fee**).

The terms of the Mandate are customary for the size and risk associated with this type of transaction.

5.9 Interests of named persons

Set out below are the benefits that have been or have been agreed to be given to any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (together, **Prescribed Persons**).

Except as set out below or elsewhere in this Prospectus, no Prescribed Person holds, or during the last 2 years has held, any interests in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with the Company's formation or the promotion, or the Offer; or
- (c) the Offer.

In addition, except as set out below or elsewhere in this Prospectus, no benefit of any kind, (whether in cash, Shares or otherwise) have been paid or agreed to be paid to a Prescribed

Person in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company, or the Offer.

Thomson Geer has acted as the Australian legal advisers to the Company for the purposes of the Offer. For this work, the Company estimates Thomson Geer will receive fees amounting to approximately \$35,000 including GST but excluding disbursements.

5.10 Consents to be named

Each of the parties named in the table below in this Section 5.10 has consented to being named in this Prospectus in the form and context in which it is named and has not withdrawn such consent prior to the lodgement of this Prospectus with the ASX:

Capacity in relation to the Company	Consenting party
Australian legal adviser	Thomson Geer
Auditor	Stantons International Audit and Consulting Pty Ltd
Share Registry	Link Market Services Limited
Lead Manager	Blue Ocean Equities Pty Limited

To the maximum extent permitted by law, each of the parties named in this Section 5.10:

- (a) states that it has not authorised or caused the issue of this Prospectus;
- (b) is not taken to have made, or purported to have made, any representation or warranty in relation to the Company either express or implied or any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and
- (c) expressly disclaims and takes no responsibility for any part of this Prospectus other than as referred to in this Prospectus as having been made by such party.

5.11 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company.

Based on the Offer being fully subscribed, the estimated costs of the Offer, which have been paid or are payable by the Company are as follows:

Expenses of the Offer	Amount including GST (\$) Tranche 1 only (Minimum)	Amount including GST (\$) Tranche 1 and Tranche 2 (Maximum)
Legal fees	\$35,000	\$35,000
Printing, Postage, ASX, ASIC and other costs	\$26,157	\$32,721
Brokerage costs	\$222,000	\$450,000
TOTAL	\$283,157	\$517,721

5.12 Governing Law

The Offer is governed by the law in force in New South Wales, Australia. By accepting the Offer, each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

5.13 **Directors' consent to lodgement**

This Prospectus is issued by the Company. Each Director has consented to the lodgement of this Prospectus with ASIC as required by section 720 of the Corporations Act.

A handwritten signature in black ink, appearing to read 'Nicola Page', written over a horizontal line.

Nicola Page
Chief Executive Officer and
Executive Director

6 Glossary

In this Prospectus, unless the context or subject matter otherwise requires:

Applicant	A person who makes an Application.
Application	An application for New Shares under the Offer.
Application Form	The entitlement and acceptance form attached to this Prospectus.
Application Payment	The payment of the Offer Price under the Offer submitted by an Applicant for the purposes of making an Application.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the stock exchange which it operates, as the context requires.
ASX Listing Rules	The official Listing Rules of the ASX.
Board	The board of Directors.
Business Day	Monday to Friday inclusive in Sydney Australia, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that is not a business day for the purposes of the ASX Listing Rules.
Closing Date	In respect of the General Offer – 5.00pm (Sydney time) on 30 March 2016 (unless varied).
Company or MOQ	Montech Holdings Limited (ACN 050 240 330).
Corporations Act	<i>Corporations Act 2001</i> (Cth) as amended from time to time.
Directors	The directors of the Company.
EGM	The extraordinary general meeting of the Company scheduled to be held on or around 9 May 2016.
EFT	Electronic funds transfer
ESOP	Has the meaning given to that term in Section 5.3.
Financial Year	The 12 months starting on 1 July and ending on 30 June each year.
General Offer	Has the meaning given to that term in Section 1.1.
General Offer Shares	Has the meaning given to that term in Section 1.1 and for the avoidance of doubt includes the Tranche 1 Shares and the Tranche 2 Shares.
Group	The Company and its subsidiaries.
GST	Has the meaning given to that term in <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth) and includes goods and services tax.
Hong Kong	Hong Kong Special Administrative Region of the People's Republic of China.
ICT	Information and Communications Technology.
Inflection Investments Pty Ltd	Inflection Investments Pty Ltd (ACN 604 399 699) as trustee for the Gojo Family Trust.
Komatie Pty Ltd	Komatie Pty Ltd (ACN 152 403 631) as trustee for the Chadnik Family Trust.
Lead Manager	Blue Ocean Equities Pty Limited.
Maintainable EBIT	Audited earnings before interest and tax of Skoolbag, normalised in accordance with Australian accounting standards, including without

	<p>limitation, to account for the following:</p> <p>(a) Exclude: one-off transaction related expenses in relation to the Skoolbag Acquisition;</p> <p>(b) Exclude: any salary bonus paid to each of the Skoolbag Vendors (up to an amount of \$150,000 each per year) in the 2016 Financial Year or 2017 Financial Year; and</p> <p>(c) Include: salary for each of the Skoolbag Vendors of \$150,000 (plus superannuation) each per year in the 2016 Financial Year and 2017 Financial Year.</p>
Minimum Escrow Restrictions	Has the meaning given to that term in Section 2.10.
New Shares	General Offer Shares and/or TETRAN Completion Shares, as the context requires.
Non-Participating Foreign Investor	Any investor who an address outside of Australia, New Zealand, Hong Kong and Singapore.
Notice of Meeting	Notice of the EGM to be issued by the Company on or around 1 April 2016.
Normalised FY16 EBITDA	The aggregated earnings before interest, tax, depreciation and amortisation for each company within the TETRAN Group for the 2016 Financial Year, normalised to exclude the impact of any reasonable external professional legal, accounting and tax advisory costs associated with the transactions contemplated in the TETRAN SPA, income received by each TETRAN Group company other than from its customers, and any other amounts nominated by the TETRAN Vendors and agreed by the Company.
Offer	The offer of New Shares under this Prospectus, subject to and on the Terms of the Offer.
Offer Price	The subscription price per New Share under the Offer (i.e., \$0.0275 per New Share).
Product Customers	Paying customers that subscribe to the 'Skoolbag Platform', including any other similar platforms offered by Skoolbag for other industries.
Prospectus	This prospectus.
Register	The Company's register of members, as the context requires.
Securities	Shares and options to subscribe for Shares.
Share Registry	Link Market Services Limited.
Shareholder	Registered holder of a Share.
Shares	Ordinary shares in the capital of the Company.
Singapore	The Republic of Singapore.
Skoolbag	iimage Tech Services Pty Limited (ABN 50 937 041 497) (and its related entities).
Skoolbag Acquisition	The proposed acquisition of 100% of the issued capital in Skoolbag, as announced by the Company on 3 March 2016.
Skoolbag Performance Shares	Has the meaning given to that term in Section 5.1(b)(ii).
Skoolbag Platform	A combination of smartphone applications together with a back-end web-based portal enabling interaction, notifications and other services between, for example, schools and parents.
Skoolbag SPA	The Share Sale and Purchase Deed between the Company and the Skoolbag Vendors in relation to the Skoolbag Acquisition.

Skoolbag Vendors	The existing shareholders of Skoolbag, being John Falconer and Andrew Tsousis
Subscription Revenue	New and renewal revenue received by Skoolbag from Product Customers for the Skoolbag Platform. For the avoidance of doubt, this does not include revenue received for Skoolbag Platform set-up fees.
Terms of the Offer	The terms and conditions set out in this Prospectus, including any modifications made by the Company.
TETRA	TETRA Pty Limited (ABN 85 118 203 857) (and other entities in the TETRA Group).
TETRA Acquisition	The proposed acquisition of 100% of the issued capital in TETRA, as announced by the Company on 3 March 2016.
TETRA Completion Shares	Has the meaning given to that term in Section 1.1.
TETRA Consideration Shares	The aggregate of the TETRA Completion Shares and/or the TETRA Performance Shares.
TETRA Group	Tetra Aus, Tetra NZ Limited (Company Number 3386076), T.I.M. Asia Pacific (PVT) Limited (TIN: 114 716 928 – 0000), and Tetra (Singapore) Pte Limited (Reg No.: 201506124D).
TETRA Performance Shares	Has the meaning given to that term in Section 1.1.
TETRA SPA	The Share Sale and Purchase Deed between the Company and the TETRA Vendors in relation to the TETRA Acquisition
TETRA Vendors	The existing shareholders of TETRA, as identified in Section 2.10.
Tranche 1	The unconditional offer of the Tranche 1 Shares under the General Offer.
Tranche 2	The conditional offer of the Tranche 2 Shares under the General Offer.
Tranche 1 Amount	\$4,440,000
Tranche 2 Amount	up to \$4,560,000
Tranche 1 Shares	161,454,545 New Shares
Tranche 2 Shares	up to 165,818,182 New Shares

Corporate Directory**Existing Directors**

Mr David Shein, Non-Executive Chairman
Mr Joseph Fridman, Non-Executive Director
Mr Jonathan Pager, Non-Executive Director
Mr Michael Pollak, Non-Executive Director
Ms Nicola Page, Executive Director and Chief Executive Officer
Mr Joseph D'Addio, Executive Director and Chief Operating Officer
Mr Scott McPherson, Executive Director and Director of Solutions

Proposed new Director

Mr Don Francis Nanayakkara, Executive Director

Company Secretary

Mr Brad Cohen

Registered Office

Suite 5a, 2 New McLean St
EDGECLIFF, NSW 2027

Website

<http://www.moq.com.au/>

ASX ticker

MOQ

Auditors*

Stantons International Audit and Consulting Pty Ltd
Level 2, 1 Walker Avenue
WEST PERTH WA 6005

Share Registry*

Link Market Services Limited
Level 4 Central Park
152 St Georges Terrace
PERTH WA 6000

Solicitors*

Thomson Geer
Level 25, 1 O'Connell Street
SYDNEY NSW 2000

**These entities are included for information purposes only. These entities have not been involved in the preparation of this Prospectus.*

Montech Holdings Limited ACN 050 240 330

PLEASE READ ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

Title, Given Name(s) & Surname or Company Name

[illegible][illegible][illegible]

Street Number Street

[illegible][illegible]

State

Post Code

[illegible]

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[illegible][illegible][illegible][illegible]

I/We whose full name(s) and address appear above hereby apply for the number of Shares shown above (to be allocated to me/us by the Company in respect of this Application) under the Prospectus on the terms set out in the Prospectus.

PAYMENT BY CHEQUE:

My/Our contact numbers in the case of inquiry are:

Fax ()

Cheques should be made payable to **"Montech Holdings Limited"**, crossed **"NOT NEGOTIABLE"**. Cheques (if applicable) and completed Offer Application Forms should be forwarded, **to arrive no later than 5:00pm AEST on the Closing Date** (or such other date as is determined by the Directors) to the following address: PO Box 231, BRIGHTON VIC 3186.

GUIDE TO THE GENERAL OFFER APPLICATION FORM

Questions on how to complete this Offer Application Form, please telephone the Company on (+61 2) 8072 1400.

A. Application for Securities

The Offer Application Form must only be completed in accordance with instructions included in Prospectus.

B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.

C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Offer Application Form.

F. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the Applicant is an existing Shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

G. EFT Details

Make EFTPOS payments to "Montech Holdings Limited" using the Applicant's shareholding name as a reference and forward a copy of the transmission with a Offer Application Form. The payment details are: BSB: 033095 / Acc: 493725. The amount paid should agree with the amount shown on the Offer Application Form.

H. Cheque Details

Make cheques payable to "Montech Holdings Limited" in Australian currency and cross them "Not Negotiable". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Offer Application Form.

I. Declaration

This Offer Application Form does not need to be signed. By lodging this Offer Application Form and a cheque for the application money this Applicant hereby:

- (1) applies for the number of Securities specified in the Offer Application Form or such lesser number as may be allocated by the Directors;
- (2) agrees to be bound by the Constitution of the Company;
- (3) authorises the directors of the Company to complete or amend this Offer Application Form where necessary to correct any errors or omissions;
- (4) acknowledges that he/she has received a copy of the Prospectus attached to this Offer Application Form or a copy of the Offer Application Form before applying for the Securities; and
- (5) acknowledges that he/she will not provide another person with this Offer Application Form unless it is attached to or accompanied by the Prospectus.

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Offer Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Offer Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L; or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith; or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith. <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund